

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**JOINT DECLARATION OF JOSHUA H. SALTZMAN AND JOHN RIZIO-HAMILTON  
IN SUPPORT OF (I) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL  
OF SETTLEMENT AND PLAN OF ALLOCATION, AND (II) LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

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**TABLE OF EXHIBITS**

- Exhibit 1** Declaration of Laken Ryals, Special Assistant Attorney General, Legal Counsel to the Public Employees' Retirement System of Mississippi, in Support of:(I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 2** Declaration of Eric Miller Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date
- Exhibit 3** CORNERSTONE RESEARCH, SECURITIES CLASS ACTION FILINGS: 2023 YEAR IN REVIEW (2024)
- Exhibit 4** CORNERSTONE RESEARCH, SECURITIES CLASS ACTION SETTLEMENTS: 2023 REVIEW AND ANALYSIS (2024)
- Exhibit 5** Summary of Plaintiffs' Counsel's Lodestar and Expenses
- Exhibit 5A** Declaration of John Rizio-Hamilton on Behalf of Bernstein Litowitz Berger & Grossmann LLP in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 5B** Declaration of Joshua H. Saltzman on Behalf of Saxena White P.A. in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 5C** Declaration of Peter E. Gelhaar on Behalf of Donnelly, Conroy & Gelhaar, LLP in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expense
- Exhibit 5D** Declaration of John L. Davidson on Behalf of Davidson Bowie, PLLC in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- Exhibit 6** Breakdown of Plaintiffs' Counsel's Expenses by Category
- Exhibit 7** Compendium of Unpublished Opinions and Authority

We, Joshua H. Saltzman and John Rizio-Hamilton, declare as follows:

1. I, Joshua H. Saltzman, am a Director at the law firm of Saxena White P.A. (“Saxena White”), counsel for Court-appointed Lead Plaintiff Public Employees’ Retirement System of Mississippi (“Mississippi” or “Lead Plaintiff”), and co-Lead Counsel for the proposed Settlement Class in the above-captioned securities class action lawsuit (the “Action”).<sup>1</sup>

2. I, John Rizio-Hamilton, am a Partner in the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G,” and together with Saxena White, “Lead Counsel”), counsel for Lead Plaintiff, and co-Lead Counsel for the proposed Settlement Class in the Action.

3. We have personal knowledge of the matters set forth herein based on our active supervision of and participation in the prosecution and resolution of the Action and information provided by other Lead Counsel attorneys working under our supervision, and if called on to do so, we could and would testify competently thereto.

4. We respectfully submit this Joint Declaration in support of Lead Plaintiff’s motion pursuant to Rule 23(e) of the Federal Rules of Civil Procedure (the “Rules”) for final approval of the proposed settlement with Defendants Cerence Inc. (“Cerence” or the “Company”), and Sanjay Dhawan and Mark Gallenberger (the “Executive Defendants,” and collectively with Cerence, “Defendants”) for \$30,000,000 in cash (the “Settlement”). If approved, the Settlement will resolve all claims asserted in the Action against Defendants on behalf of the Settlement Class, consisting of all persons or entities who purchased or otherwise acquired Cerence common stock from

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated September 6, 2024 (ECF No. 72-1) (the “Stipulation”), which was entered into by and among (i) Lead Plaintiff, on behalf of itself and the Settlement Class, and (ii) Defendants Cerence Inc., Sanjay Dhawan, and Mark J. Gallenberger.

November 16, 2020 through February 4, 2022, inclusive, and were damaged thereby.<sup>2</sup> The Court preliminarily approved the Settlement and directed notice thereof to potential Settlement Class members by Order dated September 23, 2024 (ECF No. 78) (the “Preliminary Approval Order”).

5. We also respectfully submit this Joint Declaration in support of: (i) the proposed plan for allocating the net proceeds of the Settlement to eligible Settlement Class Members (the “Plan of Allocation” or “Plan”); and (ii) Lead Counsel’s motion, on behalf of Plaintiff’s Counsel, for an award of attorneys’ fees in the amount of 25% of the Settlement Fund, net of Litigation Expenses; payment of Plaintiff’s Counsel’s Litigation Expenses in the total amount of \$129,748.20; and, in accordance with the Private Securities Litigation Reform Act of 1995 (“PSLRA”), reimbursement of \$7,600 to Mississippi for the costs it directly incurred in connection with representing the Settlement Class (the “Fee and Expense Application”).<sup>3</sup>

6. For the reasons discussed below and in the accompanying briefs, we, on behalf of Plaintiff’s Counsel, respectfully submit that: (i) the terms of the Settlement are fair, reasonable, and adequate in all respects and should be approved by the Court; (ii) the proposed Plan of Allocation is fair, reasonable, and adequate and should be approved by the Court; and (iii) the Fee and Expense Application is fair, reasonable, supported by the facts and the law, and should be

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<sup>2</sup> Excluded from the Settlement Class are (i) Defendants; (ii) Immediate Family Members of any Individual Defendant; (iii) any person who is, or was during the Class Period, an officer or director of Cerence; (iv) any affiliates or subsidiaries of Cerence; (v) any entity in which any Defendant has or had a controlling interest during the Class Period; and (vi) the legal representatives, heirs, successors, or assigns of any such excluded persons and entities. Also excluded from the Settlement Class are any persons and entities who or which submit a request for exclusion from the Settlement Class that is accepted by the Court.

<sup>3</sup> “Plaintiff’s Counsel” refers collectively to Lead Counsel Saxena White and BLB&G, Court-appointed Liaison Counsel Donnelly, Conroy & Gelhaar, LLP (“DC&G”) and additional counsel for Lead Plaintiff, Davidson Bowie, PLLC (“Davidson Bowie”).

granted in all respects.<sup>4</sup> Moreover, the Settlement and Fee and Expense Application have the full support of Lead Plaintiff—a sophisticated, institutional investor with over \$31 billion in assets under management that has actively supervised the Action since its inception. *See* Declaration of Laken Ryals, Special Assistant Attorney General, Legal Counsel to the Public Employees’ Retirement System of Mississippi (“Ryals Decl.”), attached hereto as Exhibit 1, at ¶¶ 4-8.

## I. INTRODUCTION

7. The proposed Settlement before the Court provides for the resolution of all claims in the Action in exchange for a cash payment of \$30 million, plus interest, for the benefit of the Settlement Class. The Settlement Amount has been paid into an escrow account and is earning interest. As detailed below, the Settlement provides a significant benefit to the Settlement Class by conferring a substantial, certain, and immediate recovery while avoiding the risks of continued litigation, including the risk that the Settlement Class could recover nothing or less than the Settlement Amount after years of additional litigation, appeals, and delay.

8. The proposed Settlement is the result of more than two years of extensive efforts by Lead Plaintiff and Lead Counsel to prosecute this Action, which included, among other things: (i) conducting an extensive investigation into the alleged fraud; (ii) drafting the detailed Amended Complaint (ECF No. 37, the “Complaint” or “Compl.”) based on information derived from the investigation; (iii) opposing Defendants’ motion to dismiss through extensive briefing; (iv) conducting substantial fact discovery; and (v) participating in extended arm’s length

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<sup>4</sup> In conjunction with this Joint Declaration, Lead Plaintiff and Lead Counsel are submitting: (i) the Memorandum of Law in Support of Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation (the “Settlement Memorandum”), and (ii) the Memorandum of Law in Support of Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses (the “Fee and Expenses Memorandum”).

settlement negotiations, including an eleven-hour mediation session and subsequent negotiations with the assistance of a well-respected mediator.

9. As a result of these efforts, Lead Plaintiff and Lead Counsel were well informed of the strengths and weaknesses of the claims and defenses in the Action at the time they achieved the proposed Settlement. Defendants have vigorously denied that they made any actionable materially false or misleading statements and omissions. They have further asserted that they did not act with scienter and that Lead Plaintiff would not be able to establish “price impact” or loss causation for any of the alleged misstatements. In addition to the substantial litigation risks, there was a further risk in this litigation, based on Cerence’s financial condition, that there might not be funds available to pay a judgment or settlement larger than the proposed Settlement if litigation had continued. Indeed, the \$30 million Settlement represents over 20% of Cerence’s total market capitalization and recovers the vast majority of the available insurance proceeds. In light of the substantial recovery and the significant continuing risks of litigation, Lead Plaintiff and Lead Counsel believe that the proposed \$30 million Settlement here is an excellent result for the Settlement Class.

10. The Settlement was achieved after arm’s-length negotiations between the Parties, including an eleven-hour mediation session with Greg Danilow of Phillips ADR Enterprises, an experienced mediator. As described further below, the mediation process involved significant disputed issues and hard-fought, arm’s-length negotiations. In advance of the mediation session, Lead Plaintiff submitted a detailed mediation statement and reply statement, which included supporting exhibits compiled from documents produced in the course of discovery. No agreement was reached at the mediation session. The Parties only reached an agreement in principle to settle the Action for \$30 million following additional arms-length negotiations.



11. Lead Plaintiff Mississippi is a sophisticated institutional investor that actively participated in the Action and closely supervised the work of Lead Counsel, and Mississippi's representatives were actively involved in overseeing the litigation and settlement negotiations. *See* Exhibit 1, at ¶¶ 3-6. Lead Plaintiff fully endorses the approval of the Settlement. *Id.*, at ¶ 7. Mississippi's close attention to and oversight of this Action, as well as its approval of the proposed Settlement, support the reasonableness of the Settlement. In enacting the PSLRA, Congress expressly intended to give control over securities class actions to sophisticated investors and noted that increasing the role of institutional investors in class actions would ultimately benefit shareholders and assist courts by improving the quality of representation in this type of case. H.R. Conf. Rep. No. 104-369, at \*34 (1995), reprinted in 1995 U.S.C.C.A.N. 730, 733.

12. Lead Plaintiff and Lead Counsel believe that the Settlement is in the best interests of the Settlement Class. Due to their substantial efforts, Lead Plaintiff and Lead Counsel are well-informed of the strengths and weaknesses of the claims and defenses in the Action, and they believe that the Settlement represents an excellent outcome for the Settlement Class.

13. As discussed in further detail below, the proposed Plan of Allocation, which was developed with the assistance of Lead Plaintiff's damages expert, provides for the equitable distribution of the Net Settlement Fund to Settlement Class Members who submit Claim Forms that are approved for payment by the Court. The proposed Plan of Allocation provides for distribution to eligible claimants on a *pro rata* basis, fairly based on losses attributable to the wrongdoing alleged in the Complaint.

14. Lead Counsel worked diligently and efficiently to achieve the proposed Settlement in the face of significant risk. Lead Counsel prosecuted this case on a fully contingent basis and advanced all litigation-related expenses, and thus bore the substantial risk of an unfavorable result.

For their efforts in achieving the Settlement, Lead Counsel are applying for an award of attorneys' fees for all Plaintiff's Counsel in the amount of 25% of the Settlement Fund, net of expenses. The requested fee has been endorsed by Lead Plaintiff and is reasonable and well within the range of fees that courts in this Circuit and elsewhere have awarded in securities class actions and other complex class actions with comparable recoveries on a percentage basis. In addition, the 25% fee sought here amounts to a modest 1.34 multiplier of Plaintiff's Counsel's lodestar, which is well within the range of multipliers typically awarded in class actions like this one with significant contingency risks.

15. Lead Counsel's Fee and Expense Application also seeks payment of Litigation Expenses incurred by Plaintiff's Counsel in connection with the institution, prosecution, and settlement of the Action, and payments to Lead Plaintiff for its costs and expenses directly related to their representation of the Settlement Class, as authorized by the PSLRA.

16. Lead Counsel have worked with the Court-authorized Claims Administrator, A.B. Data, Ltd. ("A.B. Data"), to disseminate notice of the Settlement to the Settlement Class as directed in the Preliminary Approval Order. In this regard, A.B. Data has mailed over 57,000 Notice Packets (consisting of the Notice and Claim Form) to potential Settlement Class Members and nominees. *See* Declaration of Eric Miller, attached hereto as Exhibit 2, at ¶ 11. Additionally, A.B. Data has posted the Notice and Claim Form, along with other documents relevant to the Settlement, on the Settlement website: [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), and has caused the Summary Notice to be published in *Investor's Business Daily* and transmitted over *PR Newswire*. *Id.* ¶¶ 13, 14.

17. The reaction of the Settlement Class thus far has been wholly positive. As ordered by the Court and stated in the notices, requests for exclusion from the Settlement Class and

objections are due to be received no later than November 25, 2024. To date, there have been no objections to any aspect of the Settlement, Plan of Allocation, or Fee and Expense Application, including reimbursement of costs to Lead Plaintiff. In addition, there have been no requests for exclusion from the Settlement Class.<sup>5</sup>

## **II. PROSECUTION OF THE ACTION**

### **A. Summary of the Class's Claims**

18. The claims of Lead Plaintiff and the class in the Action are fully set forth in the operative Amended Class Action Complaint for Violations of the Federal Securities Laws dated July 26, 2022 (ECF No. 37) (the "Complaint").<sup>6</sup> The Complaint asserts claims under: (i) Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder by the U.S. Securities and Exchange Commission ("SEC"), against all Defendants; and (ii) Section 20(a) of the Exchange Act against the Executive Defendants.

19. Cerence is an artificial-intelligence software company that sells voice-operated virtual assistant software mainly to automobile manufacturers. Lead Plaintiff alleged that, during the Class Period, Cerence and the Executive Defendants violated the federal securities laws by making materially misleading statements and omissions about the Company's financial results, assuring investors of the sustainability of its strong growth rates. *See, generally*, ¶¶ 43-63, 133-196. From the time that it became a standalone company in October 2019 (after it was spun off from Nuance Communications, Inc.), Cerence touted its strong revenue growth. ¶¶ 32-34.

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<sup>5</sup> *See* Exhibit 2, ¶ 17. Should any requests for exclusion or objections be received after the date of this submission, Lead Counsel will address them in their reply papers to be filed with the Court on or before December 9, 2024.

<sup>6</sup> In this Section II.A, citations to "¶ \_\_\_" refer to paragraphs in the Complaint.

20. Most of Cerence’s revenue comes from its license business. ¶ 36. Cerence licensed its software under two main types of contracts: “variable” and “fixed” contracts. ¶ 37. Under a variable contract, the customer would pay Cerence on a per-license basis as it used or “consumed” the licenses (*i.e.*, as the customer installed the software in each vehicle), and Cerence received and recognized the revenue incrementally as the licenses were consumed. ¶¶ 37-38. Variable licenses generate stable quarterly revenue for the Company. *Id.* By contrast, under a fixed contract (also referred to as a “prepay” or “prepaid” contract), the customer would purchase a fixed number of licenses up front, often at a discount, and Cerence would receive and recognize revenue for all of those licenses as soon as the contract was signed, even though the customer had not yet consumed the licenses. ¶¶ 39-40. Despite the advantage of up-front revenue recognition, fixed contracts resulted in the “cannibalization” of future revenue—in other words, there was no prospect of earning future revenue from a customer who signed a prepaid deal. *Id.*

21. Lead Plaintiff alleged that, from November 16, 2020 through February 4, 2022, inclusive (the “Class Period”), Defendants assured investors that Cerence was reducing its reliance on fixed contracts, and that the total amount of revenue from fixed contracts would decrease over time. ¶¶ 5, 41-42, 47, 50-51, 54-56. To this end, Defendants repeatedly emphasized to investors that Cerence strived to reduce the Company’s level of fixed contracts, assuring the market that Cerence was “biased toward reducing prepays.” ¶ 47. With investors intently focused on the subject, Defendants represented that fixed contracts would remain at or below the Company’s “historical range” of “low-40s to low-50s [million]” per year, and that Cerence’s key “pipeline” or “backlog” of variable contracts would provide substantial and sustainable growth. ¶¶ 136-37.

22. However, Lead Plaintiff alleged that, unbeknownst to investors, Defendants actually pushed the Company’s sales teams to increase the number of fixed contracts to “pull

forward” revenue in the short term. ¶¶ 64-65. Lead Plaintiff alleged that Cerence offered customers discounts to purchase fixed contracts rather than variable ones, or to convert their existing variable contracts to fixed contracts. ¶ 66. Lead Plaintiff also alleged that Defendants began to offer “minimum commitment” contracts to its customers, which called for no cash to be paid upfront, but still enabled Cerence to recognize revenue for the entire value of those contracts. ¶¶ 67-68.

23. Lead Plaintiff alleged that that Defendants’ actions artificially inflated the Company’s short-term revenue thereby rendering purported growth rates unsustainable, and also enabled the Executive Defendants to realize enormous amounts of performance-based executive compensation that was directly tied to revenue targets. ¶¶ 64, 68.

24. Lead Plaintiff alleged that the price of Cerence common stock was artificially inflated as a result of Defendants’ allegedly false and misleading statements, and that the price of the stock declined when the truth was finally revealed in a series of three corrective disclosures.

25. First, on November 22, 2021, Cerence revealed that its total fixed deal revenue had increased to \$71 million for fiscal year 2021—far above its historical range of \$40-55 million. Defendants further stated that this would “put a little bit of a damp around growth rates for [2022] and possibly into fiscal 2023 as well, as those licenses get consumed.” ¶¶ 87-88. In response to this news, Cerence’s stock price fell by more than 20% in a single day, declining from a closing price of \$104.06 per share on November 19, 2021, to a closing price of \$82.59 per share on November 22. ¶ 90.

26. Second, on December 15, 2021—less than a month after the first corrective disclosure—Defendant Dhawan resigned as CEO of Cerence. ¶ 97. On the news, Cerence’s stock

price fell by more than 11%, declining from a closing price of \$78.08 per share on December 14, 2021, to a closing price of \$69.20 per share on December 15, 2021. ¶ 99.

27. Third, and finally, on February 7, 2022, Cerence reported its financial results for the first fiscal quarter of 2022. Cerence disclosed \$20.1 million in new fixed contract deals during the first quarter of 2022, meaning that its fixed contract revenue had increased by almost 100% year-over-year, while its variable contract revenue declined 40%. ¶ 100. Defendants also lowered revenue guidance, and admitted that increases in fixed revenue had caused the variable revenue decline and harmed the Company's business, creating a "significant headwind to our variable license revenue growth." ¶¶ 101-103. And finally, Defendant Gallenberger announced his resignation as CFO. *Id.* ¶ 101. On this news, the Company's stock price declined from a closing price of \$63.58 per share on February 4, 2022, to a closing price of \$43.61 per share on February 7, 2022. ¶ 110.

**B. Appointment of Lead Plaintiff and Lead Counsel, and Lead Counsel's Extensive Investigation and Filing of the Operative Complaint**

**1. The Appointment of Lead Plaintiff, Lead Counsel, and Liaison Counsel**

28. On April 26, 2022, Mississippi filed a motion seeking appointment as Lead Plaintiff, appointment of Saxena White and BLB&G as Lead Counsel, and appointment of DC&G as Liaison Counsel pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). ECF Nos. 17-19. On May 12, 2022, after review of Mississippi's lead plaintiff motion and a competing motion filed by another lead plaintiff contender, the Court appointed Mississippi as Lead Plaintiff and approved its selection of BLB&G and Saxena White as Lead Counsel and DG&G as Liaison Counsel for the putative class. ECF No. 24.

## **2. Lead Plaintiff's Investigation and Filing of the Complaint**

29. Lead Counsel undertook an extensive investigation into the alleged fraud and potential claims that could be asserted by Lead Plaintiff in the Action. This investigation began prior to the Court's appointment of Lead Plaintiff and continued through preparation of the Complaint. The investigation included a careful review and analysis of: (i) transcripts, press releases, news articles, and other public statements issued by or concerning Cerence; (ii) research reports issued by financial analysts concerning the Company; (iii) reports and other documents filed publicly by Cerence with the U.S. Securities and Exchange Commission ("SEC"); (iv) Cerence's corporate website; (v) interviews with former Cerence employees; (vi) analyses of the price movements in Cerence's securities; and (vii) other publicly available information.

30. In connection with their investigation, Lead Counsel and their in-house investigators located former employees of Cerence who may have relevant information pertaining to the claims asserted in the Action. This included contacting more than two hundred former Cerence employees and speaking to dozens of them.

31. On May 26, 2022, the Parties submitted a Stipulation and Joint Motion for Order Regarding Case Schedule, setting forth proposed dates for the filing of the Complaint and the briefing on any expected motion to dismiss. ECF No. 25. The Court approved the proposed schedule on that same date. ECF No. 26.

32. On July 26, 2022, Lead Plaintiff filed and served a 94-page amended Complaint, asserting claims against all Defendants under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and against defendants Sanjay Dhawan and Mark J. Gallenberger under Section 20(a) of the Exchange Act. ECF No. 37.

**C. Defendants' Motion to Dismiss and Filing of Their Answer**

33. On September 9, 2022, Defendants filed a 28-page motion to dismiss the Complaint, together with an appendix attaching 58 exhibits totaling almost 1,800 pages of material. ECF Nos. 39-41. In their motion, Defendants argued that: (i) Lead Plaintiff failed to sufficiently allege falsity, among other reasons, because Lead Plaintiff purportedly did not adequately allege that any statement or omission was false or misleading, certain of the alleged false statements were forward-looking and protected by the PSLRA's safe harbor provision, and some of the statements were inactionable general statements of corporate optimism; and (ii) the Complaint did not allege specific facts supporting a strong inference of scienter, among other reasons, because the allegations attributed to "FE1" (a former Cerence employee), the allegations of insider stock sales by Defendants Dhawan and Gallenberger, and the allegations regarding Dhawan and Gallenberger's incentive compensation awards purportedly were insufficient to demonstrate scienter.

34. On October 4, 2022, Lead Plaintiff filed its opposition to Defendants' motion to dismiss the Complaint. ECF No. 47. In summary, Lead Plaintiff's opposition argued that: (i) Defendants' alleged false statements were materially misleading, actionable, and not protected by the PSLRA's safe harbor provision; and (ii) the Complaint's allegations viewed holistically were sufficient to show that Defendants made those statements with scienter among other reasons because Defendants were financially motivated to commit fraud, participated directly in the alleged scheme, and the scheme served no legitimate business purpose, which is confirmed by the Company's post-Class Period admissions.

35. On November 23, 2022, Defendants filed a reply in further support of their motion to dismiss. ECF No. 48. Defendants' reply reiterated the arguments made in their motion to dismiss and responded to the arguments in Lead Plaintiff's opposition brief.



36. On March 25, 2024, the Court granted in part and denied in part Defendants' motion to dismiss the Complaint. ECF No. 51. The Court's order, while reducing the number of statements at issue, sustained misstatements throughout the entire Class Period and noted that the Complaint's allegations "collectively support an inference that Defendants were engaged in a scheme to increase Cerence's use of fixed contract arrangements." *Id.* at 31.

37. As to falsity, the Court found, while "recognizing that this is a close call and would be scrutinized closely for purposes of any summary judgment motion," that Defendants' misstatements were actionable because Cerence's "revenue share from fixed license agreements increased consistently during the class period . . . despite statements from Defendants suggesting they wanted and expected the share of fixed contracts to remain steady, and that fixed contracts would be limited in the future." *Id.* at 31, 34. The Court further concluded that Defendants' "statements could suggest to a reasonable investor that the increase in fixed licenses was an aberration, but knowledge of the alleged scheme would have supported an equal or stronger inference that the increase in fixed license agreements was the result of Defendants' intentional scheme to promote them." *Id.* at 35.

38. As to scienter, while again noting it was "a close call" (*id.* at 35), the Court found sufficient that Defendants were "(1) 'personally direct[ing]' an undisclosed 'scheme to pull forward revenue and hide [Cerence's] worsening financial condition,' including by 'converting variable deals into less favorable prepaids and minimum commitments,' (*id.* at 14); (2) aware of the revenue consequences of that scheme, (*id.* at 20); and (3) omitting key facts from their disclosures about fixed contracts[.]" *Id.* at 38.

39. In their Answer filed on April 15, 2024 (ECF No. 59), Defendants denied all of the allegations asserted against them, as well as any liability to Lead Plaintiff and the class, and

asserted 37 affirmative defenses, including (among other things) that (i) the Complaint failed to allege any actionable misstatement or misrepresentation; (ii) the statements were inactionable because they were accompanied by meaningful cautionary language, were corporate puffery, or were forward-looking statements; and (iii) there was no loss causation or damages.

**D. Discovery**

40. Pursuant to the Court's Order of April 16, 2024 (ECF No. 60), the Parties began to negotiate the matters set forth in their Joint Statement pursuant to Rule 26(f) and Local Rule 16.1 and the Joint Statement was filed on April 30, 2024. ECF No. 61. As reflected in the Joint Statement, the Parties agreed to: (i) serve their Initial Disclosures by May 1, 2024; (ii) substantially complete pre-mediation document discovery from key searches of the custodial files of the priority custodians, which included among other others Defendants Dhawan and Gallenberger, by June 28, 2024; (iii) participate in an initial mediation session by August 2024; and (iv) set deadlines on various dates in 2025 and early 2026 for the filing of the class certification motion and related briefing, the fact discovery cutoff, the expert discovery cutoff, summary judgment and Daubert motion briefing, and trial.

41. On May 7, 2024, the Court entered a case schedule, which accepted the Parties' joint request for agreed-upon deadlines. Under the operative schedule, document production was to be substantially completed by January 31, 2025, Lead Plaintiff's class certification motion was to be fully briefed by March 14, 2025, and fact discovery was scheduled to close by May 30, 2025. ECF No. 63.

42. Pursuant to that schedule, the Parties exchanged Initial Disclosures on May 1, 2024.

**1. The Pursuit of Discovery from Defendants and Third Parties**

43. Lead Plaintiff served its First Set of Requests for the Production of Documents to Defendants on April 12, 2024, seeking, among other things, documents concerning: any

investigation of the allegations underlying the Complaint by conducted by Cerence or regulatory agencies; Cerence's fixed contracts and their impact on its financial performance and guidance; Cerence's customers' consumption of licenses and related inventory and backlogs; Cerence's earnings calls, investor presentations, and other public statements made during the Class Period; conversion of variable contracts into fixed contracts; executive compensation; and Defendants' applicable insurance policies. Defendants served Responses and Objections to Lead Plaintiff's document requests on May 13, 2024.

44. The Parties held meet-and-confer sessions to discuss issues regarding Lead Plaintiff's document requests and Defendants' objections and responses on May 15 and 21, 2024 and June 11 and 18, 2024, and Lead Plaintiff sent Defendants a letter regarding the same on June 7, 2024.

45. Lead Plaintiff served its First Set of Interrogatories on Defendants on May 20, 2024, and Defendants served their Responses and Objections to this interrogatory on June 20, 2024. On July 9, 2024, Lead Plaintiff sent Defendants a letter asking Defendants to supplement their response to Lead Plaintiff's First Set of Interrogatories.

46. Lead Plaintiff also prepared third-party document subpoenas for certain of Cerence's customers as well as for certain former Company employees.

## **2. Lead Plaintiff's Review of Defendants' Documents**

47. In connection with the Parties' agreement to produce documents for certain priority custodians in advance of the Parties' agreed-upon early mediation, Defendants produced approximately 19,000 documents to Lead Plaintiff on June 3, 2024, July 19, 2024, and August 2, 2024. Defendants also produced documents concerning Cerence's insurance policies. In total Defendants produced, and Lead Plaintiff reviewed, more than 100,000 pages of documents from a dozen custodians.

48. Throughout this process, Lead Counsel ensured that the review and analysis of documents was conducted efficiently. As part of this process, Lead Counsel reviewed, analyzed, and categorized the documents in the case's electronic database. Before beginning, Lead Counsel developed a review protocol, issue "tags," and guidelines for identifying "Hot" documents, as well as a written manual with guidelines for the review and "coding" of documents. Using these tools, Lead Counsel tasked its attorneys with reviewing documents, with the documents most likely to be "Hot" put into prioritized batches for review. Lead Counsel's review and analysis of those documents included substantive analytical determinations as to the importance and relevance of each document—including whether each document was "Hot," "Highly Relevant," "Relevant," or "Not Relevant." For important case documents, attorneys documented their substantive analysis of the documents' relevance and import by making notations on the document review system, explaining what portions of the documents were important, how they related to the issues in the case, and why the attorney believed that information to be significant. Attorneys also "tagged" the specific issues that were involved in each document, such as the false statements and corrective disclosures at issue, fixed and minimum commitment contracts, the departures of Defendants Dhawan and Gallenberger from the Company, and their trading during the Class Period.

49. Throughout their review, Lead Counsel analyzed the adequacy and scope of Defendants' document productions. For example, attorneys reviewed privilege redactions to assess whether Defendants redacted or withheld potentially non-privileged information. Lead Counsel also reviewed the productions to determine whether they substantively tracked what had been agreed to be produced.

50. In addition to regular communications that occurred throughout the review process, attorneys who primarily focused on the document review participated in weekly meetings with the

full litigation team from BLB&G and Saxena White. In advance of these meetings, “Hot” documents and documents that raised questions for discussion that had recently been reviewed and analyzed were compiled and circulated to the broader team. At the meetings, Lead Counsel discussed those documents, including the reasons they were identified as “Hot,” attorneys asked questions and discussed similar documents that had been reviewed, and the team generated ideas for research projects and generated work product following up on identified topics and issues. These efforts ensured that the entire litigation team learned of and understood the documentary evidence being developed in real-time, provided an opportunity for Lead Counsel to further refine their legal and factual theories, focused the document review team on developing other supporting evidence, and enabled Lead Counsel to ensure that documents were reviewed consistently. Lead Counsel also conducted follow-up research and drafted analyses concerning topics of interest that arose at those meetings, such as Cerence’s deals over time with certain specific customers.

51. Further, Lead Counsel prepared chronologies of events, and maintained a central repository of key documents organized by issue, which they continually updated and refined as the team’s knowledge of issues expanded. This step enabled attorneys to quickly and efficiently access critical documents in advance of the Parties’ August 14, 2024 mediation session.

52. At the outset of Lead Counsel’s document review efforts, Lead Counsel determined that it would be most efficient to utilize in-house litigation support resources at BLB&G, which provided a far more cost-effective document review platform than those provided by third-party vendors.

### **3. Defendants’ Written Discovery Requests to Lead Plaintiff**

53. Defendants also served Lead Plaintiff with discovery requests. Specifically, on June 28, 2024, Defendants served Lead Plaintiff with their First Set of Requests for Production

and First Set of Interrogatories. On July 29, 2024, Lead Plaintiff served its Responses and Objections to each of Defendants' discovery requests.

54. Defendants' discovery requests sought, among other things, documents and information concerning: Lead Plaintiff's ability to satisfy the requirements of Rule 23; Lead Plaintiff's transactions in Cerence securities and its decision-making process for engaging in those transactions; and Lead Plaintiff's interactions with its third-party services providers regarding its transactions in Cerence securities.

**E. Mediation and Settlement**

55. In connection with their efforts to obtain an early resolution of this case through private mediation, the Parties retained Greg Danilow, Esq. of Phillips ADR Enterprises, a highly experienced mediator, to act as mediator for their August 14, 2024 mediation session.

56. Mississippi's representatives communicated with Lead Counsel and were updated on the progress of Lead Counsel's prosecution of the claims and the Parties' settlement negotiations both before and throughout the mediation process.

57. In advance of this mediation session, the Parties prepared detailed mediation statements and replies concerning pertinent liability and damages issues in the case, and exchanged with one another and submitted to Mr. Danilow those mediation submissions together with numerous exhibits before the mediation. The Parties also submitted detailed written responses to questions from Mr. Danilow, as well as providing additional documents upon his request.

58. In addition to Mr. Danilow, the participants in the August 14, 2024 mediation session included (i) attorneys from BLB&G and Saxena White; (ii) attorneys from counsel for Defendants, Goodwin Procter LLP; (iii) attorneys for Defendants' insurance carriers; and (iv) in-house counsel from Cerence. At the mediation session, the Parties engaged in robust and extremely hard-fought negotiations regarding their clients' positions in the litigation. Despite

negotiating these issues for over 11 hours, the Parties were not able to reach a settlement agreement at the mediation. The parties continued, however, their negotiations after the conclusion of the formal mediation session, which culminated in a mediator's proposal that the Parties accepted to settle the Action for \$30 million.

59. Following their agreement in principle, the Parties negotiated the final terms of the Settlement and drafted the Stipulation of Settlement and related settlement papers. On September 6, 2024, the Parties executed the Stipulation, which embodies the Parties' final and binding agreement to settle the Action. See ECF No. 72-1. On September 6, 2024, Lead Plaintiff submitted the Parties' Stipulation to the Court as part of its motion for preliminary approval of the Settlement. ECF Nos. 72-73.

60. On September 18, 2024, the Court held a hearing on the motion for preliminary approval. ECF No. 77. On September 23, 2024, the Court entered its Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 78) ("Preliminary Approval Order"), which, among other things: (1) preliminarily approved the Settlement; (2) approved the form of Notice, Summary Notice, and Claim Form, and authorized notice of the Settlement to be given to potential Settlement Class Members through mailing of the Notice and Claim Form, posting the Notice and Claim Form on a Settlement website, and publication of the Summary Notice in *Investor's Business Daily* and over the *PR Newswire*; (3) established procedures and deadlines by which Settlement Class Members could participate in the Settlement, request exclusion from the Settlement Class, or object to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application; and (4) set a schedule for the filing of opening papers and reply papers in support of the proposed Settlement, Plan of Allocation, and the Fee and Expense Application. The

Preliminary Approval Order also scheduled the Settlement Hearing for December 16, 2024 at 10:00 a.m. to determine, among other things, whether the Settlement should be finally approved.

### **III. RISKS OF CONTINUED LITIGATION**

61. The Settlement provides an immediate and certain benefit to the Settlement Class in the form of a \$30 million cash payment. Lead Plaintiff and Lead Counsel believe that the proposed Settlement is an excellent result for the Settlement Class.

62. As explained below, Lead Plaintiff faced significant risks with respect to proving liability and recovering full damages in this case. To prevail in this case, Lead Plaintiff had the burden to convince a unanimous jury by a preponderance of the evidence of each of the elements of its claims, including that (i) Defendants made misstatements and omissions; (ii) the misstatements and omissions were material; (iii) the misstatements and omissions were made with scienter (*i.e.*, knowingly or with deliberate recklessness); (iv) investors relied upon the misstatements and omissions; and (v) Defendants' fraud caused investors' losses.

63. Absent a settlement, Lead Plaintiff would still need to prevail at several additional stages of the litigation, including defeating Defendants' anticipated opposition to Lead Plaintiff's motion for class certification, Defendants' anticipated motion for summary judgment, at trial, and on appeal. At each of these stages, Lead Plaintiff would have faced significant risks related to establishing liability and full damages, including, among other things, overcoming Defendants' falsity, scienter, and loss causation challenges. Even after any trial, Lead Plaintiff likely would have faced post-trial motions, including a potential motion for judgment as a matter of law, as well as further appeals that might have prevented Lead Plaintiff from successfully obtaining a recovery for the Settlement Class.

64. The Settlement Amount—\$30 million in cash, plus interest—represents a significant recovery for the Settlement Class. As discussed below, it also represents a significant



portion of the recoverable damages in the Action as determined by Lead Plaintiff's damages expert—particularly after considering Defendants' substantial arguments with respect to liability and damages. Moreover, as discussed below, questions about Cerence's financial condition and the limits on available insurance (which continued to dwindle as litigation continued) created risks that Lead Plaintiff would be unable to recover a judgment substantially larger than (or even as large as) the Settlement after additional years of litigation. For all these reasons, there was a significant risk that, after years of protracted litigation, Lead Plaintiff and the Settlement Class would have achieved no recovery at all, or a smaller recovery than the Settlement Amount.

**A. General Risks in Prosecuting Securities Class Actions**

65. Securities class actions face serious risks of dismissal and non-recovery at all stages of the litigation. Data from Cornerstone Research shows that, in each year from 2014 through 2020, approximately half of all securities class actions filed were dismissed. *See* CORNERSTONE RESEARCH, SECURITIES CLASS ACTION FILINGS: 2023 YEAR IN REVIEW (2024), attached hereto as Exhibit 3, at 19.

66. Even when they have survived motions to dismiss, securities class actions may be defeated either at the class certification stage or at summary judgment. For example, class certification has been denied in numerous securities cases in recent years. *See, e.g., Shupe v. Rocket Companies, Inc.*, 2024 WL 4349172 (E.D. Mich. Sept. 30, 2024); *In re Kirkland Lake Gold Ltd. Sec. Litig.*, 2024 WL 1342800 (S.D.N.Y. Mar. 29, 2024); *In re Finisar Corp. Sec. Litig.*, 2017 WL 6026244 (N.D. Cal. Dec. 5, 2017), *reconsideration denied*, 2018 WL 3472334 (N.D. Cal. Jan. 18, 2018), *and leave to appeal denied*, *Oklahoma Firefighters Pension & Ret. Sys. v. Finisar Corp.*, 2018 WL 3472714 (9th Cir. July 13, 2018); *Gordon v. Sonar Cap. Mgmt. LLC*, 92 F. Supp. 3d 193 (S.D.N.Y. Mar. 19, 2015); *Sicav v. James Jun Wang*, 2015 WL 268855 (S.D.N.Y. Jan. 21, 2015); *IBEW Local 90 Pension Fund v. Deutsche Bank AG*, 2013 WL 5815472 (S.D.N.Y. Oct. 29, 2013);

*George v. China Auto. Sys., Inc.*, 2013 WL 3357170 (S.D.N.Y. July 3, 2013); *Colman v. Theranos, Inc.*, 325 F.R.D. 629, 651 (N.D. Cal. 2018); *Smyth v. China Agritech, Inc.*, 2013 WL 12136605 (C.D. Cal. Sept. 26, 2013); *In re STEC Inc. Sec. Litig.*, 2012 WL 6965372 (C.D. Cal. Mar. 7, 2012). And in a number of other cases, class periods have been shortened significantly by the elimination of corrective disclosures and/or false statements at the class certification stage on “price impact” grounds—thus reducing available damages. *See, e.g., In re FibroGen Sec. Litig.*, 2024 WL 1064665 (N.D. Cal. Mar. 11, 2024); *In re Apache Corp. Sec. Litig.*, 2024 WL 532315 (S.D. Tex. Feb. 9, 2024).

67. Multiple securities class actions also have been dismissed at the summary judgment stage. *See In re Bos. Sci. Corp. Sec. Litig.*, 708 F. Supp. 2d 110, 113 (D. Mass. 2010), *aff’d sub nom. Miss. Pub. Emps.’ Ret. Sys. v. Bos. Sci. Corp.*, 649 F.3d 5 (1st Cir. 2011); *In re Mylan N.V. Sec. Litig.*, 2023 WL 2711552 (S.D.N.Y. Mar. 30, 2023) (granting summary judgment after approximately six years of litigation); *In re Allergan PLC Sec. Litig.*, 2022 WL 17584155 (S.D.N.Y. Dec. 12, 2022) (granting summary judgment after approximately four years of litigation); *Murphy v. Precision Castparts Corp.*, 2021 WL 2080016, at \*6 (D. Or. May 24, 2021) (granting summary judgment after approximately five years of litigation); *In re Retek Inc. Sec. Litig.*, 621 F. Supp. 2d 690 (D. Minn. 2009) (granting summary judgment on loss causation grounds after seven years of litigation); *In re Barclays Bank PLC Sec. Litig.*, 2017 WL 4082305 (S.D.N.Y. September 13, 2017) (summary judgment granted after eight years of litigation); *In re Omnicom Grp., Inc. Sec. Litig.*, 541 F. Supp. 2d 546, 554-55 (S.D.N.Y. 2008), *aff’d*, 597 F.3d 501 (2d Cir. 2010) (summary judgment granted after six years of litigation); *see also In re Xerox Corp. Sec. Litig.*, 935 F. Supp. 2d 448 (D. Conn. 2013), *aff’d*, 766 F.3d 172 (2d Cir. 2014); *Fosbre v. Las Vegas Sands Corp.*, 2017 WL 55878 (D. Nev. Jan. 3, 2017), *aff’d sub nom., Pompano Beach*

*Police & Firefighters' Ret. Sys. v. Las Vegas Sands Corp.*, 732 F. App'x 543 (9th Cir. 2018); *Perrin v. Sw. Water Co.*, 2014 WL 10979865 (C.D. Cal. July 2, 2014); *In re Novatel Wireless Sec. Litig.*, 830 F. Supp. 2d 996, 1015 (S.D. Cal. 2011); *In re Oracle Corp. Sec. Litig.*, 2009 WL 1709050 (N.D. Cal. June 19, 2009), *aff'd*, 627 F.3d 376 (9th Cir. 2010); *In re REMEC Inc. Sec. Litig.*, 702 F. Supp. 2d 1202 (S.D. Cal. 2010). Even cases that have survived summary judgment have been dismissed prior to trial in connection with *Daubert* motions. *See, e.g., Bricklayers and Trowel Trades Int'l Pension Fund v. Credit Suisse First Boston*, 853 F. Supp. 2d 181 (D. Mass. 2012), *aff'd*, 752 F.3d 82 (1st Cir. 2014) (granting summary judgment *sua sponte* in favor of defendants after finding that plaintiffs' expert was unreliable).

68. Even when securities class action plaintiffs are successful in certifying a class, prevailing at summary judgment, and overcoming *Daubert* motions, there remain significant risks that a jury will not find the defendants liable or award expected damages. *See, e.g., In re Tesla Inc., Sec. Litig.*, 2023 WL 4032010 (N.D. Cal. June 14, 2023), *aff'd*, 2024 WL 4688894 (9th Cir. Nov. 6, 2024) (jury verdict for defense delivered in securities class action involving Elon Musk's tweets about taking Tesla private even though that court had already found the tweets were false and Musk acted recklessly in issuing them, and the same conduct had resulted in SEC charges and a settlement). Further, post-trial motions, based on a complete record, also present substantial risks. For example, in *In re BankAtlantic Bancorp, Inc. Securities Litigation*, a jury rendered a verdict in plaintiffs' favor on liability in 2010. 2011 WL 1585605, at \*6 (S.D. Fla. Apr. 25, 2011). In 2011, the district court granted defendants' motion for judgment as a matter of law and entered judgment in favor of the defendants on all claims. *Id.* at \*38. In 2012, the Eleventh Circuit affirmed the district court's ruling, finding that there was insufficient evidence to support a finding of loss causation. *See Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713, 725 (11th Cir. 2012).

**B. Specific Risks Concerning This Action**

69. While Lead Plaintiff believes that its claims have merit, Lead Plaintiff faced substantial risks that Defendants would succeed in eliminating all or part of the case in connection with class certification, summary judgment, pre-trial motions, at trial, or on post-trial appeal.

**1. Risks Associated with Class Certification**

70. At the time the Settlement was reached, Lead Plaintiff had not yet filed its motion for class certification. Although Lead Plaintiff likely would have been able to make a successful *prima facie* showing that the proposed class would meet all elements of Rule 23 of the Federal Rules of Civil Procedure, Defendants would have had an opportunity to “rebut the presumption of reliance” typically applied under Rule 23(b)(3) if they could “show that the misrepresentation in fact did not lead to a distortion of price” by making “[a]ny showing that severs the link between the alleged misrepresentation and ... the price received (or paid) by the plaintiff,” *i.e.* by showing a lack of “price impact.” *Goldman Sachs Grp., Inc. v. Arkansas Tchr. Ret. Sys.*, 594 U.S. 113 (2021). In some cases, courts have found that there was no price impact with respect to particular corrective disclosures. *See, e.g., FibroGen*, 2024 WL 1064665, at \*11 (finding no price impact after a specified date, eliminating final corrective disclosure, and certifying shorter class period than that proposed by plaintiff). For the same reasons discussed further below (in connection with loss causation), Lead Plaintiff faced a risk that the Court may find that one or more of the alleged corrective disclosures was not corrective of any of the alleged misstatements. Had that taken place, the Class Period could, at a minimum, have been shortened, which would in turn reduce the size of the class as well as the total damages available to them.

**2. Risks Associated with Proving Falsity and Materiality**

71. Defendants would continue to assert that they made no false or misleading statements regarding their use of fixed contracts. Specifically, Defendants had argued, and would

continue to argue, that Cerence fully and accurately disclosed its revenue from fixed contracts during each quarter, and also disclosed its use of minimum commitment contracts, such that no investor could have been misled by Cerence's increased use of those contracts. Indeed, the Court's motion to dismiss order—while allowing the case to proceed to discovery—dismissed many of the false statements alleged in the Complaint, including all of the statements made by Defendant Dhawan. Additionally, the Court specifically noted that the sustained statements were a “close call” and “would be scrutinized closely for purposes of any summary judgment motion.” ECF No. 51 at 34.

### **3. Risks Associated with Proving Scienter**

72. Even if Lead Plaintiff had been able to establish falsity and materiality, it would have faced significant risk in establishing Defendants' scienter.

73. Defendants would continue to argue that they did not act with fraudulent intent, and that there was no scheme in place to defraud investors. Defendants would continue to assert, among other things, that Defendants Gallenberger and Dhawan's public statements reflected their honestly held beliefs about fixed contracts, and that they believed they were providing full and adequate information to investors by disclosing the volume of Cerence's fixed revenue every quarter.

74. Had Lead Plaintiff failed to create a triable issue regarding scienter at summary judgment, or failed to prevail on establishing scienter at trial, the Settlement Class would not be able to recover anything in this Action.

### **4. Risks Associated with Proving Loss Causation and Damages**

75. Even if Lead Plaintiff had successfully established Defendants' material misrepresentations and scienter, it would still have faced meaningful challenges in establishing loss causation and damages in this Action.

76. Specifically, Defendants would have challenged whether the alleged corrective disclosures were sufficiently connected to the alleged revenue acceleration scheme that they could be considered the cause of any damages for the Settlement Class. For example, the second alleged corrective disclosure—the announcement of Dhawan’s resignation—was at significant risk of being eliminated on lack of price impact or loss causation grounds, as Defendants would have argued it neither revealed new information directly related to the fraud nor expressly connected the resignation to the fraud. *See, e.g., In re Apache Corp. Sec. Litig.*, 2024 WL 532315, at \*10 (S.D. Tex. Feb. 9, 2024) (executive resignation was not a corrective disclosure where it was unclear “what aspect of the defendants’ prior statements was rendered false or misleading that was not already known ...”). And similarly, Defendants would have argued that the third alleged corrective disclosure did not reveal anything new about Defendants’ fixed contracts.

77. Moreover, Defendants were expected to vigorously dispute what portion (if any) of Cerence’s stock price declines following each of the alleged corrective disclosures was attributable to the disclosure of the alleged revenue acceleration scheme—as opposed to other “confounding” factors affecting Cerence’s business (such as the impact of negative trends in the automobile market and disclosures relating to Cerence’s other lines of business).

## **5. Risks After Trial**

78. Even if Lead Plaintiff overcame all the above risks and prevailed at trial, Defendants would have appealed any judgment in Lead Plaintiff’s and the class’s favor. Such an appeal could have taken years, and could have been successful. For example, in *Glickenhau & Co. v. Household Int’l Inc.*, 787 F.3d 408 (7th Cir. 2015), a securities fraud class action alleging a massive predatory lending scheme, the plaintiffs won a trial verdict. Defendants appealed, challenging loss causation, as well as a jury instruction about who legally “made” a statement for

liability purposes. Defendants prevailed, and the Seventh Circuit set aside the judgment that plaintiffs had won.

79. Moreover, even if a judgment in Lead Plaintiff’s favor was affirmed on appeal, Defendants may then have sought to challenge the reliance and damages of each class member, including Lead Plaintiff, in an extended series of individual proceedings. Thus, even if Lead Plaintiff and the class prevailed at trial, the subsequent processes of an appeal and challenges to individual class members could have severely reduced or even eliminated any recovery—and, at minimum, could have added several years of further delay.

80. The Settlement eliminates these significant litigation risks and provides a substantial and certain recovery for the Settlement Class. *See Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at \*13 (S.D.N.Y. Oct. 16, 2019) (“The Parties developed and would have presented competing evidence on these issues, including competing expert evidence. While Lead Plaintiff proceeded as though it had the better arguments, the risk remained that Defendants could have defeated loss causation, or significantly diminished damages[.]”).

**C. The Settlement Amount Compared to the Likely Maximum Damages that Could Be Proved at Trial and The Likely Maximum Recoverable Amount in Light of Defendants’ Financial Condition**

81. The Settlement Amount—\$30 million in cash, plus interest—represents a significant recovery for the Settlement Class. The Settlement is more than twice the size of the median securities class action settlement in the First Circuit from 2014 to 2023 (\$14.1 million). *See* CORNERSTONE RESEARCH, SECURITIES CLASS ACTION SETTLEMENTS: 2023 REVIEW AND ANALYSIS (2024), attached hereto as Exhibit 4, at 20.

82. The \$30 million Settlement is also a very favorable result when it is considered in relation to the maximum amount of damages that could be reasonably established at trial, in the event that Lead Plaintiff prevailed on class certification and liability issues, including falsity and

scienter, at summary judgment. Assuming Lead Plaintiff prevailed on all class certification and liability issues, its damages expert had determined that that maximum reasonably recoverable damages at trial would be approximately \$430 million.

83. Importantly, however, this estimated range assumes Lead Plaintiff's complete success in establishing Defendants' liability on the remaining claims, certification of the entire alleged Class Period, and that the trier of fact would reject Defendants' loss causation and damages arguments. Lead Plaintiff's damages expert calculated that, in the event that the Court eliminated the second and third alleged corrective disclosures—either at class certification, summary judgment—or trial—maximum damages would be just \$82 million. Thus, the \$30 million Settlement represents at least 7% and as much as 37% of the maximum recoverable damages, which is well above the range of recovery seen in comparable cases. *See, e.g., Howard v. Liquidity Servs. Inc.*, 2018 WL 4853898, at \*5 (D.D.C. Oct. 5, 2018) (taking into account risks to maximum damages calculation and finding that a “settlement that ranges from approximately 4 percent to 14 percent of potentially recoverable damages compares favorably with other similar securities class-action settlements.”); *Medoff v. CVS Caremark Corp.*, 2016 WL 632238, at \*6 (D.R.I. Feb. 17, 2016) (approving settlement recovering 5.33% of maximum damages and noting that it was “well above the median percentage of settlement recoveries in comparable securities class action cases”); *In re Merrill Lynch & Co. Inc. Research Reports Sec. Litig.*, 2007 WL 313474, at \*10 (S.D.N.Y. Feb. 1, 2007) (settlement representing 6.25% of estimated maximum damages was at the “higher end of the range of reasonableness of recovery in class action securities litigations”).

84. Moreover, Cerence's financial condition at the time of settlement and its wasting insurance policies posed additional risks to the total recovery available to the Settlement Class. During the Class Period, Cerence common stock traded for as much as \$133 per share, but on



August 22, 2024, the date the parties accepted the mediator's settlement recommendation, Cerence's stock closed at \$3.41 per share—a decline of approximately 97% from its Class Period high. Likewise, the Company's market capitalization had shrunk by approximately 97% and was less than \$150 million. Thus, the \$30 million Settlement represents more than 20% of the Company's total market capitalization, which is a very substantial proportion. And, of course, there was no guarantee of what Cerence's financial condition might look at the time any trial verdict was reached and upheld on appeal. In addition, the Settlement recovers the vast majority of Defendants' remaining available directors' and officers' liability insurance, which was rapidly wasting, and would have continued to waste in ongoing litigation.

85. Thus, even if Lead Plaintiff had prevailed at class certification, summary judgment, at trial, there would be a significant risk that the recovery available would be smaller than the Settlement Amount. The Settlement avoids these risks and provides an immediate and certain benefit to the Settlement Class.

86. Given the meaningful litigation risks, and the immediacy and amount of the \$30,000,000 recovery for the Settlement Class, Lead Plaintiff and Lead Counsel believe that the Settlement is an excellent result; fair, reasonable, and adequate; and in the best interest of the Settlement Class.

#### **IV. LEAD PLAINTIFF'S COMPLIANCE WITH THE COURT'S PRELIMINARY APPROVAL ORDER REQUIRING ISSUANCE OF NOTICE**

87. The Court's Preliminary Approval Order directed that the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") and Proof of Claim and Release Form ("Claim Form") be disseminated to the Settlement Class. The Preliminary Approval Order also set a November 25, 2024 deadline for Settlement Class Members to submit objections to the Settlement, the Plan

of Allocation, and/or the Fee and Expense Application or to request exclusion from the Settlement Class, and set a final approval hearing date of December 16, 2024.

88. Pursuant to the Preliminary Approval Order, Lead Counsel instructed A.B. Data, Lrd. (“A.B. Data”), the Court-approved Claims Administrator, to begin disseminating copies of the Notice and the Claim Form by mail and to publish the Summary Notice. The Notice contains, among other things, a description of the Action, the Settlement, the proposed Plan of Allocation, and Settlement Class Members’ rights to participate in the Settlement, object to the Settlement, the Plan of Allocation and/or the Fee and Expense Application, or exclude themselves from the Settlement Class. The Notice also informs Settlement Class Members of Lead Counsel’s intent to apply for an award of attorneys’ fees in an amount not to exceed 25% of the Settlement Fund, and for Litigation Expenses in an amount not to exceed \$300,000. To disseminate the Notice, A.B. Data obtained information from Cerence and from banks, brokers, and other nominees regarding the names and addresses of potential Settlement Class Members. *See* Declaration of Eric Miller Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date (“Miller Decl.”), attached hereto as Exhibit 2, at ¶¶ 4-12.

89. A.B. Data began mailing copies of the Notice and Claim Form (together, the “Notice Packet”) to potential Settlement Class Members and nominee owners on October 2, 2024. *See* Miller Decl. ¶¶ 4-7. As of November 11, 2024, A.B. Data had disseminated a total of 57,080 Notice Packets to potential Settlement Class Members and nominees. *Id.* ¶ 11.

90. On October 14, 2024, in accordance with the Preliminary Approval Order, A.B. Data caused the Summary Notice to be published in *Investor’s Business Daily* and to be transmitted over the *PR Newswire*. *Id.* ¶ 13.

91. Lead Counsel also caused A.B. Data to establish a dedicated settlement website, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), to provide potential Settlement Class Members with information concerning the Settlement and access to copies of the Notice and Claim Form, as well as the Stipulation, Preliminary Approval Order, and Amended Complaint. *See* Miller Decl. ¶ 14. That website became operational on October 2, 2024. *Id.* Lead Counsel also made copies of the Notice and Claim Form and other documents available on their own websites, [www.blbglaw.com](http://www.blbglaw.com) and [www.saxenawhite.com](http://www.saxenawhite.com).

92. As set forth above, the deadline for Settlement Class Members to file objections to the Settlement, Plan of Allocation, and/or Fee and Expense Application, or to request exclusion from the Settlement Class is November 25, 2024. To date, no requests for exclusion have been received. *See* Miller Decl. ¶ 17. In addition, no objections to the Settlement, Plan of Allocation, or Lead Counsel’s Fee and Expense Application have been received. Lead Counsel will file reply papers on or before December 9, 2024 that will address any requests for exclusion or objections that may be received.

## **V. ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT**

93. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who want to be eligible to participate in the distribution of the Net Settlement Fund must submit a valid Claim Form with all required information postmarked (if mailed) or submitted online no later than January 30, 2025. As set forth in the Notice, the Net Settlement Fund will be distributed among Settlement Class Members who submit eligible claims according to the plan of allocation approved by the Court.

94. Lead Counsel consulted with Lead Plaintiff’s damages expert in developing the proposed plan of allocation for the Net Settlement Fund (the “Plan of Allocation”). Lead Counsel believe that the Plan of Allocation provides a fair and reasonable method to equitably allocate the

Net Settlement Fund among Settlement Class Members who suffered losses as result of the conduct alleged in the Action.

95. The Plan of Allocation is set forth at pages 14 to 18 of the Notice. *See* Miller Decl., Ex. A at pp. 14-18. As described in the Notice, the objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Settlement Class Members who suffered economic losses as a proximate result of the securities law violations alleged in the Action. *See* Notice ¶ 73. The calculations under the Plan of Allocation are intended as a method to weigh the claims of Settlement Class Members against one another for the purposes of making an equitable allocation of the Net Settlement Fund. *Id.* ¶ 75.

96. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in the per-share price of Cerence common stock that was allegedly proximately caused by Defendants' alleged materially false and misleading statements and omissions the Court previously found to be adequately alleged. *See* Notice ¶ 76. In calculating the estimated artificial inflation allegedly caused by those misrepresentations and omissions, Lead Plaintiff's damages expert considered the price changes in Cerence common stock in reaction to the public disclosures that allegedly corrected the alleged misrepresentations and omissions, adjusting for price changes attributable to market or industry factors. *Id.* Based on these calculations, there was a total of \$49.60 in estimated artificial inflation per share in the Cerence common stock price at the beginning of the Class Period that was removed through the series of three corrective disclosures. *Id.*

97. In order to have recoverable damages in connection with purchases or acquisitions of Cerence common stock during the Class Period, the disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of the Cerence common stock. In this

case, Lead Plaintiff alleged that Defendants made false statements and omitted material facts during the Class Period (November 16, 2020 through February 4, 2022), which had the effect of artificially inflating the prices of Cerence common stock, and that the artificial inflation was removed from the price of Cerence common stock as the result of the alleged corrective disclosures that occurred on November 22, 2021, December 15, 2021, and February 7, 2022. In order to be eligible under the Plan of Allocation, shares of Cerence common stock must have been purchased or otherwise acquired during the Class Period and held through the issuance of at least one alleged corrective disclosure. *See* Notice ¶¶ 74, 78-79.

98. Recognized Loss Amounts are calculated under the Plan of Allocation for each purchase or acquisition of Cerence common stock during the Class Period that is listed on a Claimant's Claim Form and for which adequate documentation is provided. For shares purchased during the Class Period and sold prior to November 22, 2021, the Recognized Loss Amount is zero, because, as discussed above, those shares were not damaged by the alleged fraud. *See* Notice ¶ 79(a). For shares purchased during the Class Period and sold from November 22, 2021 through February 4, 2022, inclusive, the Recognized Loss Amount is calculated as the lesser of: (i) the decline in alleged inflation during the holding period; or (ii) the purchase price minus the sale price. *Id.* ¶ 79(b). For shares purchased during the Class Period and sold during the 90-day period after the Class Period, Recognized Loss Amounts are calculated as the least of: (i) the decline in alleged inflation during the holding period; (ii) the purchase price minus the sale price; or (iii) the purchase price minus the average closing price between February 7, 2022 and the date of sale. *See Id.* ¶ 79(c). For shares purchased during the Class Period and held until the end of 90-day period after the Class Period (May 6, 2022) or longer, the Recognized Loss Amount is the lesser of: (i) the

decline in alleged inflation during the holding period; or (ii) the purchase price minus \$34.84, the average closing price for Cerence stock between February 7, 2022 and May 6, 2022. *Id.* ¶ 79(d).

99. The sum of a Claimant's Recognized Loss Amounts for all of his, her, or its purchases of Cerence common stock during the Class Period is the Claimant's "Recognized Claim." Notice ¶ 80. The Net Settlement Fund will be allocated to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Notice ¶ 84. If an Authorized Claimant's *pro rata* distribution amount calculates to less than ten dollars, no payment will be made to that Authorized Claimant. *Id.* ¶ 85. Those funds will be included in the distribution to the Authorized Claimants whose payments exceed the ten-dollar minimum. *Id.*

100. One hundred percent of the Net Settlement Fund will be distributed to Authorized Claimants. If any funds remain after the initial *pro rata* distribution, as a result of uncashed or returned checks or other reasons, subsequent cost-effective distributions to Authorized Claimants will be conducted. Notice ¶ 89. Only when the residual amount left for re-distribution to Settlement Class Members is so small that a further re-distribution would not be cost effective (for example, where the administrative costs of conducting the additional distribution would largely subsume the funds available), will those funds be donated to Greater Boston Legal Services, a non-sectarian, not-for-profit, 501(c)(3) organization selected by the Parties, if approved by the Court. *See id.*

101. In sum, the Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Fund among Settlement Class Members based on damages they suffered on purchases of Cerence common stock that were attributable to the misconduct alleged in the Action. Accordingly, Lead Counsel respectfully submit that the Plan of Allocation is fair

and reasonable and should be approved by the Court. To date, no objections to the proposed Plan of Allocation have been received.

## **VI. THE FEE AND EXPENSE APPLICATION**

102. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel are applying to the Court, on behalf of Plaintiff's Counsel, for an award of attorneys' fees of 25% of the Settlement Fund, net of Litigation Expenses awarded, plus interest earned at the same rate as the Settlement Fund (the "Fee Application"). Lead Counsel also request payment for litigation expenses incurred by Plaintiff's Counsel in connection with the prosecution and settlement of the Action in the amount of \$129,748.20. Lead Counsel further request reimbursement to Lead Plaintiff of \$7,600 in costs and expenses that Lead Plaintiff incurred directly related to its representation of the Settlement Class, as permitted by the PSLRA, 15 U.S.C. § 78u-4(a)(4). The requested attorneys' fees, litigation expenses, and PSLRA award are to be paid from the Settlement Fund. The legal authorities supporting the requested fee and expenses are discussed in Lead Counsel's Fee Memorandum. The primary factual bases for the requested fee and expenses are summarized below.

### **A. The Fee Application**

103. Lead Counsel are applying for a fee award to be paid from the Settlement Fund on a percentage basis. As set forth in the accompanying Fee Memorandum, the percentage method is the appropriate method of fee recovery because it aligns the lawyers' interest in being paid a fair fee with the interest of the Lead Plaintiff and the Settlement Class in achieving the maximum recovery in the shortest amount of time required under the circumstances and taking into account the litigation risks faced in a class action. Use of the percentage method has been recognized as appropriate by the First Circuit in comparable cases.

104. Based on the quality of the result achieved, the extent and quality of the work performed by Lead Counsel and Liaison Counsel, the significant risks of the litigation, and the fully contingent nature of the representation, Lead Counsel respectfully submit that the requested fee award is reasonable and should be approved. As discussed in the Fee Memorandum, a 25% fee award is fair and reasonable for attorneys' fees in common fund cases such as this and is well within the range of percentages awarded in securities class actions in this Circuit with comparable settlements.

**1. Lead Plaintiff Has Authorized and Supports the Fee Application**

105. Lead Plaintiff is a sophisticated institutional investor that closely supervised and monitored the prosecution and settlement of the Action. *See* Ryals Decl. (Ex. 1), at ¶¶ 3-6. Lead Plaintiff fully supports Lead Counsel's requested fee of 25% of the Settlement Fund. Lead Plaintiff has carefully evaluated the Fee Application and believes that it is fair and reasonable in light of the result obtained for the Settlement Class, the substantial risks in the litigation, and the work performed by Plaintiffs' Counsel. *See id.* ¶ 8. Lead Plaintiff's endorsement of Lead Counsel's Fee Application further demonstrates its reasonableness and should be given weight in the Court's consideration of the fee award.

**2. The Time and Labor of Plaintiff's Counsel**

106. The time and labor expended by Plaintiff's Counsel in pursuing this Action and achieving the Settlement support the reasonableness of the requested fee. Attached as Exhibits 5A, 5B, 5C and 5D are the declaration of John Rizio-Hamilton on behalf of BLB&G, the declaration of Joshua H. Saltzman on behalf of Saxena White, the declaration of Peter E. Gelhaar on behalf of Liaison Counsel Donnelly, Conroy & Gelhaar, LLP, and the declaration of John L. Davidson on behalf of Davidson Bowie in support of the motion for attorneys' fees and litigation expenses ("Fee and Expense Declarations"). The Fee and Expense Declarations indicate the



amount of time spent by each attorney and the professional support staff employed by each firm on the Action from its inception through October 31, 2024, and the lodestar calculations based on their current hourly rates. The Fee and Expense Declarations also include schedules of expenses incurred by each firm, delineated by category. These Declarations were prepared from contemporaneous daily time records and expense records regularly maintained and prepared by the respective firms, which are available at the request of the Court.

107. As set forth in the Fee and Expense Declarations, Plaintiff's Counsel have collectively expended 9,116.45 hours in the prosecution of this Action, with a total lodestar of \$5,556,671.25. If the Court awards the Litigation Expenses as requested, the requested fee of 25% of the Settlement Fund, net of expenses, will be \$7,465,663, plus interest. Accordingly, the requested fee amounts to a 1.34 multiplier on Plaintiff's Counsel's lodestar. As discussed in the Fee Memorandum, the fact the fee sought provides only a modest multiplier of Plaintiff's Counsel's lodestar supports the reasonableness of the requested fee.

108. As described above in greater detail, the work that Plaintiff's Counsel performed in this Action included: (i) conducting a thorough investigation into the class's claims, which involved a detailed review of publicly available information, interviews with former Cerence employees, and extensive legal research to confirm the theories of liability that Lead Plaintiff could pursue on behalf of the class and satisfy the applicable pleading standards; (ii) drafting and filing the detailed amended complaint based on this investigation; (iii) successfully briefing and opposing Defendants' motion to dismiss; (iv) engaging in extensive discovery efforts, including the review of over 100,000 pages of documents and participation in numerous meet and confer sessions with Defendants regarding the scope of that discovery; and (v) engaging in vigorous arm's-length negotiations (including a lengthy in-person mediation session) to achieve the

Settlement. At all times throughout the Action, Plaintiff's Counsel's efforts were driven and focused on advancing the litigation to achieve the most successful outcome for the Class, whether through settlement or trial, by the most efficient means possible.

109. As detailed above, throughout this case, we devoted substantial time to the prosecution of the Action. We maintained control of and monitored the work performed by other lawyers at Saxena White and BLB&G. While we personally devoted substantial time to this case, other experienced attorneys at our firms were involved throughout the litigation. More junior attorneys and paralegals also worked on matters appropriate to their skill and experience level. Throughout the litigation, Plaintiff's Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of this litigation.

### **3. The Skill and Experience of Plaintiff's Counsel**

110. The skill and expertise of Plaintiff's Counsel also support the requested fee. As demonstrated by the firm resumes attached as Exhibits 5A-3 and 5B-3 hereto, Lead Counsel are among the most experienced and skilled law firms in the securities litigation field, with a long and successful track record representing investors in such cases. BLB&G and Saxena White are consistently ranked among the top plaintiffs' firms in the country. Further, both firms have taken complex cases such as this to trial, and they are among the few firms with experience doing so on behalf of plaintiffs in securities class actions. Liaison Counsel DC&G is also highly skilled and extremely knowledgeable counsel, and Davidson Bowie has worked extensively with Lead Plaintiff Mississippi, including assisting in its representation in prior securities class actions. We believe Plaintiff's Counsel's skill and their willingness and ability to prosecute the claims vigorously through trial, if necessary, added valuable leverage in the settlement negotiations.

**4. Standing and Caliber of Defendants' Counsel**

111. The quality of the work performed by Plaintiff's Counsel in attaining the Settlement should also be evaluated in light of the quality of its opposition. Defendants were represented by attorneys from Skadden, Arps, Slate, Meagher & Flom LLP and Goodwin Procter LLP—highly experienced and highly skilled law firms that zealously represented their clients. In the face of this skillful and well-financed opposition, Lead Counsel were nonetheless able to develop a case that was sufficiently strong to persuade Defendants to settle the case on terms that will significantly benefit the Settlement Class.

**5. The Risks of Litigation and the Need to Ensure the Availability of Competent Counsel in High-Risk Contingent Cases**

112. The prosecution of these claims was undertaken entirely on a contingent-fee basis, and the considerable risks assumed by Plaintiff's Counsel in bringing this Action to a successful conclusion are described above. Those risks are relevant to the Court's evaluation of an award of attorneys' fees. Here, the risks assumed by Plaintiff's Counsel, and the time and expenses incurred without any payment, were extensive.

113. From the outset, Plaintiff's Counsel understood that they were embarking on a complex, expensive, lengthy, and hard-fought litigation with no guarantee of ever being compensated for the substantial investment of time and the outlay of money that vigorous prosecution of the case would require. In undertaking that responsibility, Lead Counsel were obligated to ensure that sufficient resources (in terms of attorney and support staff time) were dedicated to the litigation, and that Lead Counsel would further advance all of the costs necessary to pursue the case vigorously on a fully contingent basis, including funds to compensate vendors and consultants and to cover the considerable out-of-pocket costs that a case such as this typically demands. Because complex securities litigation generally proceeds for several years before

reaching a conclusion, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Plaintiff's Counsel have received no compensation during the more than two-year duration of this Action and no reimbursement of out-of-pocket expenses, yet they have devoted more than 9,000 hours and incurred more than \$120,000 in expenses in prosecuting this Action for the benefit of Cerence investors.

114. Plaintiff's Counsel also bore the risk that no recovery would be achieved. As discussed above, from the outset this case presented a number of significant risks and uncertainties.

115. As noted above, the Settlement was reached only after Lead Counsel had overcome Defendants' motion to dismiss and conducted document discovery. However, had the Settlement not been reached when it was and this litigation continued, Lead Counsel would have been required to complete fact discovery (including taking depositions of the Executive Defendants and several other Cerence officers); conduct substantial expert discovery; fully brief a motion for class certification; oppose Defendants' expected motions for summary judgment; and prepare and take the case to trial. Moreover, even if the jury returned a favorable verdict after trial, it is likely that any verdict would be the subject of post-trial motions and appeals.

116. Lead Counsel's persistent efforts in the face of significant risks and uncertainties have resulted in a significant and certain recovery for the Settlement Class. In light of this recovery and Plaintiff's Counsel's investment of time and resources over the course of the litigation, Lead Counsel believe the requested attorneys' fee is fair and reasonable and should be approved.

#### **6. The Reaction of the Settlement Class to the Fee Application**

117. As noted above, as of November 11, 2024, over 57,000 Notice Packets had been sent to potential Settlement Class Members advising them that Lead Counsel would apply for attorneys' fees in an amount not to exceed 25% of the Settlement Fund. *See* Miller Decl. ¶ 11 and Ex. A (Notice ¶¶ 5, 51). In addition, the Court-approved Summary Notice has been published in

*Investor's Business Daily* and transmitted over the *PR Newswire*. See Miller Decl. ¶ 13. To date, no objections to the request for attorneys' fees have been received.

118. In sum, Lead Counsel accepted this case on a contingency basis, committed significant resources to it, and prosecuted it without any compensation or guarantee of success. Based on the favorable result obtained, the quality of the work performed, the risks of the Action, and the contingent nature of the representation, Lead Counsel respectfully submit that the requested fee is fair and reasonable.

**B. The Litigation Expense Application**

119. Lead Counsel also seek payment from the Settlement Fund of \$129,748.20 for litigation expenses reasonably incurred by Plaintiffs' Counsel in connection with the prosecution and resolution of the Action (the "Expense Application").

120. From the outset of the Action, Plaintiff's Counsel have been aware that they might not recover any of their expenses (if the litigation was unsuccessful), and, further, if there were to be reimbursement of expenses, it would not occur until the Action was successfully resolved, often a period lasting several years. Plaintiff's Counsel also understood that, even assuming that the case was ultimately successful, reimbursement of expenses would not necessarily compensate them for the lost use of funds advanced by them to prosecute the Action. Consequently, Plaintiff's Counsel were motivated to, and did, take significant steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case.

121. As set forth in the Fee and Expense Declarations included in Exhibit 5, Plaintiff's Counsel have incurred a total of \$129,748.20 in unreimbursed litigation expenses in connection with the prosecution of the Action. The expenses are summarized in Exhibit 6, which identifies each category of expense, *e.g.*, expert costs, mediation fees, on-line legal and factual research, document management costs, telephone, and travel costs, and the amount incurred for each

category. These expenses are reflected on the books and records maintained by Plaintiff's Counsel, which are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. These expenses are recorded separately by Plaintiff's Counsel and are not duplicated by the firms' hourly rates.

122. Of the total amount of expenses, \$64,812.50, or approximately 50%, was expended for the retention of experts. Lead Counsel consulted with an accounting expert and with financial economics experts (concerning loss causation and damages issues) during its investigation and the preparation of the Complaint, during the course of discovery, and in preparation for settlement negotiations. These experts' advice was instrumental in Lead Counsel's appraisal of the claims and in helping achieve the favorable result in the Action.

123. Plaintiffs' Counsel also incurred a total of \$35,109.99 for the costs of on-line factual and legal research, which together accounted for approximately 27% of the total expenses.

124. Lead Plaintiff's share of the mediation costs paid to Phillips ADR for the services of Mr. Danilow were \$15,650.00 or 12% of the total expenses.

125. The other expenses for which Plaintiffs' Counsel seek payment are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These expenses include, among others, court fees, travel costs, telephone charges, postage, and copying costs.

126. In addition, Lead Plaintiff Mississippi seeks reimbursement of \$7,600 for the reasonable costs and expenses that it incurred directly in connection with its representation of the Settlement Class, based on the substantial time dedicated to the Action by its employees and the employees of the Mississippi Office of the Attorney General. Such payments are expressly

authorized and anticipated by the PSLRA, as more fully discussed in the Fee Memorandum at 18-19.

127. The Notice informed potential Settlement Class Members that Lead Counsel would be seeking reimbursement of Litigation Expenses in an amount not to exceed \$300,000, which might include a PLSRA award for Lead Plaintiff. Notice ¶¶ 5, 51. The total amount requested, \$137,348.20, which includes \$129,748.20 for Plaintiff's Counsel's litigation expenses and \$7,600.00 for Lead Plaintiff's requested PSLRA award, is well below the \$300,000 that Settlement Class Members were advised could be sought. To date, no objection has been raised as to the maximum amount of expenses set forth in the Notice.

128. The expenses incurred by Plaintiff's Counsel and Lead Plaintiff were reasonable and necessary to represent the Settlement Class and achieve the Settlement. Accordingly, Lead Counsel respectfully submit that the application for payment of Litigation Expenses from the Settlement Fund should be approved.

129. Attached hereto as Exhibit 7 is a compendium of true and correct copies of the following unpublished opinions and authority cited in the Fee Memorandum.

## **VII. CONCLUSION**

130. For all the reasons set forth above, Lead Plaintiff respectfully submits that the Settlement and Plan of Allocation should be approved as fair, reasonable, and adequate. Lead Counsel further submit that the requested fee in the amount of 25% of the Settlement Fund, net of Litigation Expenses, should be approved as fair and reasonable, and the request for payment of Plaintiffs' Counsel's expenses in the amount of \$129,748.20 should also be approved, as well as Lead Plaintiff's request for \$7,600 in reasonable costs that were directly related to its representation of the Settlement Class, as authorized by the PSLRA.

We declare, under penalty of perjury that the foregoing is true and correct.

Executed in White Plains, New York this 11th day of November 2024

/s/ Joshua H. Saltzman  
JOSHUA H. SALTZMAN

Executed in New York, New York this 11th day of November 2024

/s/ John Rizio-Hamilton  
JOHN RIZIO-HAMILTON



# **Exhibit 1**

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF LAKEN RYALS, SPECIAL ASSISTANT ATTORNEY  
GENERAL, LEGAL COUNSEL TO THE PUBLIC EMPLOYEES'  
RETIREMENT SYSTEM OF MISSISSIPPI, IN SUPPORT OF: (I) LEAD  
PLAINTIFF'S MOTION FOR FINAL APPROVAL OF SETTLEMENT AND  
PLAN OF ALLOCATION; AND (II) LEAD COUNSEL'S MOTION FOR  
ATTORNEYS' FEES AND LITIGATION EXPENSES**

I, Laken Ryals, hereby declare as follows:

1. I submit this declaration, on behalf of the Public Employees' Retirement System of Mississippi ("MissPERS"), the Court-appointed Lead Plaintiff in this securities class action (the "Action"), in support of (i) Lead Plaintiff's motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation; and (ii) Lead Counsel's motion for attorneys' fees and Litigation Expenses, including an award to MissPERS pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA") to reimburse MissPERS for the time its employees or representatives in the

Office of the Attorney General of the State of Mississippi (the “OAG”) dedicated to the Action.<sup>1</sup>

2. I am a Special Assistant Attorney General in the OAG, legal counsel to MissPERS, and I am authorized to make this declaration on behalf of MissPERS. I have personal knowledge of the matters set forth in this declaration and, if called upon, I could and would testify competently thereto. The matters set forth in this declaration are based on my personal knowledge.

3. MissPERS is a governmental defined-benefit pension plan qualified under Section 401(a) of the Internal Revenue Code for the benefit of current and retired employees of the State of Mississippi. MissPERS is responsible for the retirement income of employees of the State, including current and retired employees of the State’s public-school districts, municipalities, counties, community colleges, state universities, libraries, and water districts. MissPERs provides benefits to over 118,000 retirees and beneficiaries and manages over \$31 billion in assets for its beneficiaries.

4. As counsel for MissPERS, the OAG is responsible for, among other things, providing legal representation to MissPERS in securities and corporate governance litigation, including managing MissPERS’s relationship with outside counsel. Under Mississippi constitutional, statutory, and common law, the OAG has the full executive authority to bring, decide, and settle cases on behalf of MissPERS.

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement dated September 6, 2024 previously filed with the Court. *See* ECF No. 72-1.

**I. MissPERS's Oversight of the Action**

5. I am aware of and understand the requirements and responsibilities of a lead plaintiff in a securities class action, including those set forth in the PSLRA. As legal counsel to MissPERS, I have overseen MissPERS's service as lead plaintiff in several securities class actions.

6. On behalf of MissPERS, I and my colleagues at the OAG had regular communications with Court-appointed Lead Counsel Bernstein Litowitz Berger & Grossmann LLP and Saxena White P.A. (together, "Lead Counsel") throughout the litigation, as well as with MissPERS's additional counsel, Davidson Bowie, PLLC. MissPERS, through my active and continuous involvement, as well as the involvement of my colleagues, closely supervised, carefully monitored, and was actively involved in all material aspects of the prosecution and resolution of the Action. The OAG received regular status reports from Lead Counsel on case developments and participated in regular discussions with attorneys from Lead Counsel concerning the prosecution of the Action, the strengths of and risks to the claims, and potential settlement. In particular, throughout the course of this Action, I and my colleagues: (i) regularly communicated with Plaintiff's Counsel by email and telephone calls regarding the posture and progress of the case; (ii) reviewed and commented on all significant pleadings and briefs filed in the Action; (iii) oversaw MissPERS's involvement in the discovery process, including assisting in responding to Defendants' requests for production of documents and interrogatories; (iv) consulted with Lead Counsel concerning the settlement negotiations, including those that occurred at, and following, the mediation session that ultimately led

to the agreement in principle to settle the Action; and (v) evaluated and approved the proposed Settlement for \$30,000,000.00 in cash.

**II. MissPERS Endorses Approval of the Settlement**

7. Based on its involvement throughout the prosecution of the Action, MissPERS believes that the proposed Settlement is fair, reasonable, and adequate and in the best interest of the Settlement Class. MissPERS believes that the proposed Settlement represents an excellent recovery for the Settlement Class, particularly given the risks in continued litigation, and it endorses approval of the Settlement by the Court.

**III. MissPERS Supports Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses**

8. MissPERS also believes that Lead Counsel's request for an award of attorneys' fees in the amount of 25% of the Settlement Fund, net of Court-approved Litigation Expenses, is fair and reasonable. MissPERS has evaluated Lead Counsel's fee request in light of the work performed, the risks of the litigation, the fees awarded in similar securities class action litigation, the result achieved, the skill required and the quality of work performed, and other relevant factors. MissPERS understands that Lead Counsel will also devote additional time in the future to administering the Settlement. MissPERS further believes that the Litigation Expenses requested by counsel are reasonable and represent the costs and expenses that were necessary for the successful prosecution and resolution of this case. Based on the foregoing, MissPERS fully supports Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses.

9. In connection with Lead Counsel's request for Litigation Expenses, MissPERS seeks reimbursement for the time that it dedicated to the representation of the

Settlement Class, which was time that ordinarily would have been dedicated to the work of MissPERS and the OAG.

10. As discussed above, my colleagues and I diligently oversaw the prosecution of the Action, including communicating with counsel and reviewing pleadings. Below is a table listing the MissPERS and OAG personnel who contributed to the litigation, together with a conservative estimate of the time that they spent and their effective hourly rates. The hourly rates are the same as (or similar to) the rates that have been accepted by courts throughout the country when MissPERS has requested reimbursement of its attorney time.

<b>Personnel</b>	<b>Hours</b>	<b>Rate</b>	<b>Total</b>
Tricia Beale – Deputy Director and Special Asst. Attorney General	15	\$250	\$3,750
Laken Ryals – Special Asst. Attorney General	10	\$250	\$2,500
Garrett Mascagni – Special Asst. Attorney General	3	\$250	\$750
Charles Nielson – Chief Investment Officer	4	\$150	\$600
<b>TOTALS</b>	<b>32</b>		<b>\$7,600</b>

11. Accordingly, MissPERS seeks a total of \$7,600 for the 32 hours it dedicated to representing the Settlement Class throughout the litigation.

#### **IV. Conclusion**

12. In conclusion, MissPERS was closely involved throughout the prosecution and settlement of the claims in the Action and strongly endorses the Settlement as fair, reasonable, and adequate, and believes it represents an excellent recovery for the

Settlement Class. MissPERS further supports Lead Counsel's attorneys' fee and expense request, in light of the work performed, the recovery obtained for the Settlement Class, and the attendant litigation risks.

I declare under penalty of perjury that the foregoing is true and correct, and that I have authority to execute this declaration on behalf of MissPERS.

Executed this 8th day of November, 2024.



Laken Ryals

*Special Assistant Attorney General in the  
Office of the Attorney General of the State of  
Mississippi on behalf of the Public  
Employees' Retirement System of  
Mississippi*

# **Exhibit 2**



**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF ERIC MILLER REGARDING:  
(A) MAILING OF THE NOTICE AND CLAIM FORM;  
(B) PUBLICATION OF THE SUMMARY NOTICE; AND  
(C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE**

I, ERIC MILLER, hereby declare as follows:

1. I am the Senior Vice President of Case Management at A.B. Data, Ltd.'s Class Action Administration Company ("A.B. Data"). Pursuant to the Court's September 23, 2024 Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 78) ("Preliminary Approval Order"), the Court approved the retention of A.B. Data as Claims Administrator in connection with the proposed Settlement of the above-captioned Action.<sup>1</sup>

2. I am over 21 years of age and am not a party to the Action. The following statements are based on my personal knowledge and information provided by other A.B. Data

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<sup>1</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement, dated September 6, 2024 (ECF No. 72-1) (the "Stipulation").

employees working under my supervision, and if called as a witness, I could and would testify competently thereto.

3. I submit this Declaration to provide the Court and the Parties to the Action with information regarding the dissemination of the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") and the Proof of Claim and Release Form (the "Claim Form") (collectively, the Notice and Claim Form are referred to as the "Notice Packet") as well as other updates regarding notice and the settlement administration process. Lead Counsel and A.B. Data have previously worked together in disseminating securities class action settlement information, and have successfully implemented the same or substantially similar notice and claims processing programs in other cases to that approved by the Court in this Action.

#### **DISSEMINATION OF THE NOTICE PACKET**

4. Pursuant to the Preliminary Approval Order, A.B. Data was responsible for mailing the Notice Packet to potential Settlement Class Members. As defined in the Notice (¶ 20), the Settlement Class consists of all Persons who purchased or otherwise acquired Cerence common stock during the period from November 16, 2020 through February 4, 2022, inclusive, and were damaged thereby. A copy of the Notice Packet is attached hereto as Exhibit A.

5. On September 18, 2024, A.B. Data received from Defendants' Counsel an Excel spreadsheet containing a total of 541 unique names and addresses of persons or entities who were identified as record holders of Cerence common stock during the Class Period. On October 2, 2024, A.B. Data caused the Notice Packet to be sent by first-class mail to those 541 potential Settlement Class Members and nominees.

6. In this case, as in most securities class actions, the great majority of potential Settlement Class Members are beneficial purchasers whose securities are held in “street name,” *i.e.*, the securities are purchased by brokerage firms, banks, institutions, or other third-party nominees (“Nominees”) in the name of the Nominee, on behalf of the beneficial purchasers. A.B. Data maintains a proprietary database with the names and addresses of the largest and most common Nominees, including national and regional offices of certain Nominees (the “Nominee Database”). At the time of the initial mailing, A.B. Data’s Nominee Database contained 4,936 records.<sup>2</sup> On October 2, 2024, A.B. Data caused Notice Packets to be sent by first-class mail to the 4,936 mailing records contained in its Nominee Database.

7. In total, 5,477 Notice Packets were mailed to potential Settlement Class Members and Nominees by first-class mail on October 2, 2024.

8. The Notice itself and a cover letter that accompanied the Notice Packet mailed to Nominees (as well as an email mailed to Nominees) directed Nominees who purchased Cerence common stock during the Class Period for the beneficial interest of persons or organizations other than themselves to, within seven (7) calendar days of receipt of the Notice, either (i) request from the Claims Administrator sufficient copies of the Notice Packet to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners, or (ii) provide a list of the names and addresses of all such beneficial owners to A.B. Data (who would then mail copies of the Notice Packet to those beneficial owners). *See Notice ¶ 69.*

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<sup>2</sup> A.B. Data’s Nominee Database is updated from time to time as new Nominees are identified, and others merge or cease to exist.

9. A.B. Data also provided a copy of the Notice and Claim Form to the Depository Trust Company (“DTC”) for posting on its Legal Notice System (“LENS”). The LENS may be accessed by any Nominee that participates in DTC’s security system, and provides the DTC participants the ability to search and download legal notices as well as receive email alerts based on particular notices or particular security identifiers (known as CUSIPs). The Notice and Claim Form were posted on DTC’s LENS on October 2, 2024.

10. A.B. Data monitored the responses received from brokers and other Nominees and followed up by email and, if necessary, phone calls to ensure that Nominees provided timely responses to A.B. Data’s mailing. As of November 11, 2024, A.B. Data has mailed an additional 19,693 Notice Packets to potential Settlement Class Members whose names and addresses were received from individuals or brokerage firms, banks, institutions, and other Nominees requesting that Notice Packets be mailed to such persons and entities. A.B. Data has also mailed another 31,910 Notice Packets in bulk to Nominees who requested Notice Packets to forward to their customers. All such requests have been, and will continue to be, complied with and addressed in a timely manner.

11. As of November 11, 2024, a total of 57,080 Notice Packets have been mailed to potential Settlement Class Members and nominees. In addition, A.B. Data has re-mailed 3 Notice Packets to persons whose original mailings were returned by the U.S. Postal Service (“USPS”) and for whom updated addresses were provided to A.B. Data by the USPS or were obtained through other means.

12. The process for disseminating the Notice Packet by mail to potential Settlement Class Members is intended to reach the maximum number of potential Settlement Class Members who can reasonably be identified. As a result, the process is expected to result in the mailing of

Notice Packets to a number of persons and entities who are not or may not be Settlement Class Members. For example, A.B. Data's internal list of the 4,936 Nominees in its Nominee Database is intended to be reasonably broad and includes a number of smaller or specialty brokerage firms and international firms who may not have any clients who were beneficial purchasers of Cerence common stock during the Class Period. Similarly, although the Notice and cover letter request that Nominees identify purchasers or acquirors of Cerence common stock during the Class Period, A.B. Data is aware from experience that some Nominees provide reasonably over-inclusive lists of potential Settlement Class Members. In addition, even where the names provided are limited to persons who purchased or acquired the stock during the Class Period, such lists will include investors who may have purchased and sold their shares before the alleged corrective disclosures or were otherwise not damaged and therefore not eligible for a payment in the Settlement. Due to A.B. Data's efforts to reach the highest possible number of potential Settlement Class Members through reasonable means and as a result of the process of dissemination through Nominees, A.B. Data expects that a substantial number of the total Notice Packets mailed will be mailed to persons and entities who are not Settlement Class Members or are not eligible for a recovery in the Settlement.

#### **PUBLICATION OF THE SUMMARY NOTICE**

13. In accordance with Paragraph 7(d) of the Preliminary Approval Order, A.B. Data caused the Summary Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Summary Notice") to be published in *Investor's Business Daily* and transmitted over the *PR Newswire* on October 14, 2024. Copies of proof of publication of the Summary Notice in

*Investor's Business Daily* and over *PR Newswire* are attached hereto as Exhibits B and C, respectively.

#### **ESTABLISHMENT OF THE SETTLEMENT WEBSITE**

14. On October 2, 2024, A.B. Data established a website dedicated to the Settlement, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com) (the "Settlement Website"). A.B. Data continues to maintain the Settlement Website to inform class members about the Settlement and provide answers to frequently asked questions. The website address was set forth in the Notice Packet and in the Summary Notice. The Settlement Website includes information regarding the Action and the proposed Settlement, including the exclusion, objection, and claim filing deadlines, and details about the Court's Settlement hearing. Copies of the Notice and Claim Form, as well as the Stipulation, Preliminary Approval Order, and Complaint are posted on the Settlement Website and are available for downloading. The Settlement Website became operational on October 2, 2024, and is accessible 24 hours a day, 7 days a week. A.B. Data will update the Settlement Website as necessary through the administration of the Settlement.

#### **ESTABLISHMENT OF TELEPHONE HELPLINE**

15. On October 2, 2024, A.B. Data established a case-specific, toll-free telephone helpline, 1-877-411-4801, with an interactive voice response system and live operators, to accommodate potential Settlement Class Members with questions about the Action and the Settlement. The automated attendant answers the calls and presents callers with a series of choices to respond to basic questions. Callers requiring further help have the option to be transferred to a live operator during business hours. A.B. Data continues to maintain the telephone helpline and will update the interactive voice response system as necessary through the administration of the Settlement.

**REPORT ON EXCLUSION REQUESTS RECEIVED TO DATE**

16. The Notice, Summary Notice, and Settlement Website also provide Settlement Class Members with clear instructions on how to request exclusion from the Settlement Class. Specifically, Settlement Class Members are informed that requests for exclusion from the Settlement Class are to be sent to *Cerence Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217, such that they are received no later than November 25, 2024. The Notice also sets forth the information that must be included in each request for exclusion. A.B. Data has monitored and will continue to monitor all mail delivered to the above address.

17. As of November 11, 2024, A.B. Data has not received any requests for exclusion. A.B. Data will submit a supplemental declaration after the November 25, 2024 deadline for requesting exclusion that will address any requests for exclusion that may be received.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 11, 2024 in Palm Beach Gardens, Florida.



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ERIC MILLER

# EXHIBIT A





Defendants have expressly denied, and continue to deny, that they have committed any act or omission giving rise to any liability. Specifically, Defendants expressly have denied, and continue to deny, each and all of the claims alleged by Lead Plaintiff in the Litigation including, without limitation, any liability arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied, and continue to deny, among other allegations, the allegations that Lead Plaintiff or the Settlement Class Members have suffered any damages, that Defendants made any material misrepresentations or omissions, or that Lead Plaintiff or the Settlement Class Members were harmed by the conduct alleged in the Litigation or that could have been alleged as part of the Litigation. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation. The Settlement, if approved by the Court, will settle the claims of the Settlement Class, as defined in ¶ 20 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Litigation in exchange for a settlement payment of \$30,000,000 in cash (“Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (“Settlement Fund”) less: (i) any Taxes; (ii) any Notice and Administration Expenses; (iii) any litigation expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (“Plan of Allocation”) is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimate of the number of shares of Cerence common stock purchased or otherwise acquired during the Class Period that may have been affected by the alleged conduct at issue in the Litigation, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery per eligible share of Cerence common stock (before the deduction of any Court-approved fees, expenses, and costs as described herein) is approximately \$1.12 per share. **Settlement Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Settlement Class Members may recover more or less than this estimated amount depending on, among other factors: (i) when and the price at which they purchased/acquired shares of Cerence common stock; (ii) whether they sold their shares of Cerence common stock and, if so, when; and (iii) the total number and value of valid Claims submitted to participate in the Settlement. Distributions to Settlement Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the amount of damages per share of Cerence common stock that would be recoverable if Lead Plaintiff were to prevail in the Litigation. Among other things, Defendants do not agree that they violated the federal securities laws or that, even if liability could be established, any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel have not received any payment of attorneys’ fees for their representation of Lead Plaintiff and the Settlement Class in the Litigation and have advanced the funds to pay expenses incurred to prosecute this Litigation with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be paid for their expenses from the Settlement Fund, as is customary in this type of litigation. Prior to the final Settlement Hearing, Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) and Saxena White P.A. (“Saxena White”), will apply to the Court for an award of attorneys’ fees on behalf of all Plaintiff’s Counsel<sup>2</sup> in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for litigation expenses incurred by Plaintiff’s Counsel in connection with the institution, prosecution, and resolution of the Litigation, in an amount not to exceed \$300,000, which amount may include a request for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Cerence common stock, if the Court approves Lead Counsel’s attorneys’ fees and expense application, is approximately \$0.29 per share. **Please note that this amount is only an estimate.**

6. **Identification of Attorneys’ Representatives:** Lead Plaintiff and the Settlement Class are represented by John Rizio-Hamilton, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com; and Joshua H. Saltzman, Esq. of Saxena White P.A., 10 Bank Street, Suite 882, White Plains, NY 10606; (914) 437-8551; jsaltzman@saxenawhite.com.

<sup>2</sup> Plaintiff’s Counsel are Lead Counsel BLB&G and Saxena White; Liaison Counsel Donnelly, Conroy & Gelhaar, LLP; and additional counsel for Lead Plaintiff, Davidson Bowie, PLLC.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the immediate cash benefit for the Settlement Class without the risk or the delays and costs inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the risk that a smaller recovery—or no recovery at all—might be achieved after a motion for summary judgment, a trial of the Litigation, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants are entering into this Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Defendants expressly deny that Lead Plaintiff has asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever, or any infirmity in the defenses that Defendants have or could have asserted.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN JANUARY 30, 2025.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 33 below) that you have against Defendants and the other Released Defendant Persons (defined in ¶ 34 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN NOVEMBER 25, 2024.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that may allow you to ever be part of any other lawsuit against Defendants or Released Defendant Persons concerning the Released Plaintiffs' Claims.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN NOVEMBER 25, 2024.</b>	If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the requested attorneys' fees and litigation expenses, you may object by writing to the Court and explaining why you do not like them. You cannot object unless you are a member of the Settlement Class and do not exclude yourself from the Settlement Class.
<b>ATTEND A HEARING ON DECEMBER 16, 2024 AT 10 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN NOVEMBER 25, 2024.</b>	Filing a written objection and notice of intention to appear by November 25, 2024 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the motion for attorneys' fees and litigation expenses. In the Court's discretion, the December 16, 2024 hearing may be conducted by telephone or videoconference (see ¶¶ 60-61 below). If you submit a written objection, you may (but you do not have to) participate in the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Litigation.

**These rights and options—and the deadlines to exercise them—are further explained in this Notice. Please Note: The date and time of the Settlement Hearing—currently scheduled for December 16, 2024 at 10:00 a.m.—is subject to change without further notice to the Settlement Class. It is also within the Court's discretion to hold the hearing in person or telephonically. If you plan to attend the hearing, you should check the Settlement website,**

**www.CerenceSecuritiesLitigation.com, or with Lead Counsel as set forth above to confirm that no change to the date and/or time of the hearing has been made.**

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## WHY DID I GET THIS NOTICE?

8. The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired shares of Cerence common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you (if you are a Settlement Class Member) might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel’s motion for attorneys’ fees and litigation expenses (the “Settlement Hearing”). See ¶¶ 60-61 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time.

## WHAT IS THIS CASE ABOUT?

11. Cerence is a corporation organized under the laws of Delaware, with its principal place of business in Massachusetts. Cerence’s common stock trades on the NASDAQ under the ticker symbol “CRNC.” Cerence builds AI powered virtual assistants for the mobility/transportation market. In the Litigation, Lead Plaintiff alleges that Defendants made misrepresentations and omissions concerning a purported scheme to pull forward revenues from future quarters to meet Cerence’s revenue guidance by entering into a large number of fixed license deals that were not in the best interests of the Company and its shareholders, and had an alleged negative impact on the Company’s financial condition and business.

12. On February 25, 2022, the City of Miami Fire Fighters’ and Police Officers’ Retirement Trust filed a securities class action complaint in the Court titled *City of Miami Fire Fighters’ and Police Officers’ Retirement Trust v. Cerence Inc.*, Case No. 1:22-cv-10321-ADB (D. Mass.). On May 12, 2022, the Court appointed the Public Employees’ Retirement System of Mississippi as Lead Plaintiff, and appointed Bernstein Litowitz Berger & Grossmann LLP and Saxena White P.A. as Lead Counsel.

13. On July 26, 2022, Lead Plaintiff filed an Amended Class Action Complaint for Violations of the Federal Securities Laws (the “Complaint”) against Defendants. The Complaint alleges, among other things, that Defendants made misrepresentations and omissions concerning a purported scheme to pull forward revenues from future quarters to meet Cerence’s revenue guidance. The Complaint asserts claims for damages under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder against all Defendants, and under Section 20(a) of the Securities Exchange Act of 1934 against Defendants Dhawan and Gallenberger.

14. On September 9, 2022, Defendants filed their Motion to Dismiss the Complaint. The motion was fully briefed, and on March 25, 2024, the Court issued an Order granting in part and denying in part Defendants’ Motion to Dismiss the Complaint. On April 15, 2024, Defendants filed their Answer to the Complaint, denying that Lead Plaintiff has asserted any valid claims as to any of the Defendants and asserting various affirmative defenses. On May 7, 2024, the Court entered a proposed schedule submitted by the Parties.

15. During the course of the Litigation, the Parties engaged in substantial discovery, which included the production by Defendants of over 100,000 pages of documents, exchanging initial disclosures, and responding to requests for production of documents and interrogatories.

16. On August 14, 2024, the Parties participated in an all-day mediation session before Greg Danilow of Phillips ADR Enterprises (the “Mediator”) in New York. Prior to the mediation, the Parties exchanged mediation statements, including voluminous exhibits and supplemental materials. The Parties did not reach an agreement to settle the Litigation during the August 14, 2024 mediation.

17. After the mediation, however, the Parties continued to engage in settlement negotiations with the assistance of the Mediator and ultimately reached an agreement in principle to settle the Litigation for \$30,000,000 on August 22, 2024. The agreement was based on a mediator’s recommendation made by Mr. Danilow.

18. The Parties subsequently negotiated and executed the Stipulation and Agreement of Settlement (the “Stipulation”) on September 6, 2024, which sets forth the full terms and conditions of the Settlement. The Stipulation can be viewed at [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com).

19. On September 23, 2024, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Settlement Class Members and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

## HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?

20. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded from the Settlement Class. The Settlement Class certified by the Court solely for purposes of effectuating the Settlement consists of:

all Persons who purchased or otherwise acquired Cerence common stock during the period from November 16, 2020 through February 4, 2022, inclusive, and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants; (ii) Immediate Family Members of any Individual Defendant; (iii) any person who is, or was during the Class Period, an officer or director of Cerence; (iv) any affiliates or subsidiaries of Cerence; (v) any entity in which any Defendant has or had a controlling interest during the Class Period; and (vi) the legal representatives, heirs, successors, or assigns of any such excluded persons and entities. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page 10 below.

**Please note: Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive proceeds from the Settlement.**

**If you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being distributed with this Notice and the required supporting documentation postmarked (if mailed), or online, no later than January 30, 2025.**

#### WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

21. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the significant expense and length of the continued proceedings that would be necessary to pursue their claims against Defendants through the completion of discovery, certification of the class, summary judgment, trial, and appeals, as well as the substantial risks they would face in establishing liability and damages and in recovering a substantial judgment against Defendants.

22. Defendants have argued, and would continue to argue, that they did not violate the federal securities laws. Among other things, Defendants have argued, and would continue to argue, that (1) they did not make any false or misleading statements, (2) they did not act with “scienter,” or fraudulent intent, and (3) Lead Plaintiff could not prove damages or loss causation with respect to any alleged false or misleading statements.

23. For example, Defendants would continue to assert that they made no false or misleading statements regarding their use of fixed contracts. Defendants had argued, and would continue to argue, that Cerence accurately disclosed its revenue from fixed contracts during each quarter, such that no investor could have been misled by Cerence’s use of those contracts. Indeed, the Court’s motion to dismiss order—while allowing the case to proceed—dismissed many of the false statements alleged in the Complaint, including all of the statements made by Defendant Dhawan. Additionally, the Court specifically noted in its motion to dismiss order that even the sustained statements were a “close call” and “would be scrutinized closely for purposes of any summary judgment motion.”

24. Defendants also would continue to argue that they did not act with fraudulent intent, and that there was no scheme in place to defraud investors. Defendants would continue to assert, among other things, that the challenged statements reflected the honestly held beliefs and expectations of Defendants Gallenberger and Dhawan about Cerence’s fixed contracts at the time those statements were made, and that by accurately disclosing Cerence’s revenue from fixed contracts every quarter, Defendants Gallenberger and Dhawan showed an intent to be transparent with investors.

25. Lead Plaintiff also faced risks with respect to proving loss causation. Specifically, Defendants challenged whether the alleged corrective disclosures were sufficiently connected to the alleged false and misleading statements concerning the alleged revenue acceleration scheme, such that those statements could be considered the cause of any damages to the Settlement Class. In addition, Defendants vigorously disputed what portion (if any) of Cerence’s stock price declines following each of the alleged corrective disclosures was attributable to the disclosure of the alleged revenue acceleration scheme.

26. Finally, Lead Plaintiff faced a possibility that any available recovery would be reduced, including because Defendants’ remaining available insurance was being consumed by the ongoing litigation. The proposed Settlement avoids these risks and, if approved, will provide a prompt and certain benefit to the Settlement Class.

27. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a favorable result for the Settlement Class, namely \$30,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Litigation would produce a smaller, or no, recovery after full discovery, a class certification motion, summary judgment, trial, and appeals, possibly years in the future.

### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

28. If there were no Settlement, and Lead Plaintiff failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in establishing any of their defenses either at summary judgment, at trial, or on appeal, the Settlement Class could recover less than the amount provided in the Settlement, or nothing at all. Further, even if Plaintiffs were successful in establishing every element of their claims, defeating all of Defendants' defenses, and proving 100% of their asserted damages, there is a possibility that any available recovery would be smaller than the Settlement Amount, including because available insurance funds would be reduced by ongoing litigation.

### HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE LITIGATION AND THE SETTLEMENT?

29. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 11 below.

30. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you must exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 10 below.

31. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 11 below.

32. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves and each of their respective officers, directors, shareholders, employees, agents, personal representatives, spouses, subsidiaries, trustees, heirs, executors, administrators, successors and assigns, and any other Person claiming (now or in the future) to be acting on behalf of any of them, in their capacities as such, and regardless of whether Lead Plaintiff or any such Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Claim Form, any distribution from the Settlement Fund, will have fully, finally, and forever released, relinquished, and discharged all Released Plaintiffs' Claims (as defined in ¶ 33 below) against the Released Defendant Persons (as defined in ¶ 34 below), and shall have covenanted not to sue the Released Defendant Persons with respect to all such Released Plaintiffs' Claims, and shall be permanently barred and enjoined from instituting, commencing, participating in, continuing, maintaining, asserting or prosecuting, whether directly or indirectly, whether in the United States or elsewhere, whether on their own behalf or on behalf of any class or any other Person, any Released Plaintiffs' Claim against the Released Defendant Persons; provided, however, that nothing herein shall bar any action or claim to enforce the terms of the Settlement or the Judgment entered pursuant thereto.

33. "Released Plaintiffs' Claims" means any and all claims or causes of action of every nature and description, known or unknown, contingent or non-contingent, whether suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, at law or in equity, including Unknown Claims, that Lead Plaintiff or any other member of the Settlement Class (a) asserted in the Complaint or any other complaints previously filed in the Litigation, or (b) could have asserted in any forum that arise out of or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint or any other complaints previously filed in the Litigation and that relate to the purchase of Cerence common stock during the Class Period. Notwithstanding any other language herein to the contrary, Released Plaintiffs' Claims shall not include (a) any claims to enforce the terms of the Settlement or the Judgment entered pursuant thereto; or (b) any claims asserted in any shareholder derivative action, including *In re Cerence Stockholder Derivative Litigation*, Case No. 1:22-cv-10723-ADB (D. Mass.) and *Morse v. Dhawan et al.*, Case No. 1:22-cv-10737-ADB (D. Mass.).

34. “Released Defendant Person(s)” means each and all of the Defendants and any of their respective past or present parent entities, affiliates, divisions, subsidiaries or Immediate Family Members, and each and all of the foregoing’s respective past, present, or future officers, directors, controlling stockholders, agents, representatives, employees, attorneys, advisors, consultants, accountants, investment bankers, underwriters, brokers, dealers, lenders, insurers, co-insurers, reinsurers, heirs, executors, principals, managing directors, managing agents, joint ventures, personal or legal representatives, estates, beneficiaries, predecessors, successors, and assigns, in their capacities as such.

35. “Unknown Claims” means any Released Plaintiffs’ Claims which Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiff and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent in effect to California Civil Code § 1542. Lead Plaintiff, Defendants, and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff and Defendants shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

36. Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, Defendants, and each of their respective officers, directors, controlling shareholders, employees, agents, personal representatives, spouses, subsidiaries, trustees, heirs, executors, administrators, successors and assigns, and any other Person claiming (now or in the future) to be acting on behalf of any of them, in their capacities as such, will have fully, finally, and forever released, relinquished, and discharged all Released Defendants’ Claims (as defined in ¶ 37 below) against the Released Plaintiff Persons (as defined in ¶ 38 below), and shall be permanently barred and enjoined from instituting, commencing, participating in, continuing, maintaining, asserting or prosecuting, whether directly or indirectly, whether in the United States or elsewhere, any Released Defendants’ Claim against the Released Plaintiff Persons; provided, however, that nothing herein shall bar any action or claim to enforce the terms of the Settlement or the Judgment entered pursuant thereto.

37. “Released Defendants’ Claims” means any and all claims or causes of action of every nature and description, known or unknown, contingent or non-contingent, whether suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule, or regulation, whether foreign or domestic, at law or in equity, including Unknown Claims, arising out of, relating to, or in connection with, the institution, prosecution, or settlement of the Litigation or the Released Plaintiffs’ Claims. Notwithstanding any other language herein to the contrary, Released Defendants’ Claims shall not include any claims to enforce the terms of the Settlement or the Judgment entered pursuant thereto.

38. “Released Plaintiff Person(s)” means each and all of Lead Plaintiff, Plaintiff’s Counsel, all Settlement Class Members, and any of their respective past or present parent entities, affiliates, divisions, subsidiaries or Immediate Family Members, and each and all of the foregoing’s respective past, present or future officers, directors, stockholders, agents, representatives, employees, attorneys, advisors, consultants, accountants, investment bankers, underwriters, brokers, dealers, lenders, insurers, co-insurers, reinsurers, heirs, executors, principals, managing directors, managing agents, joint ventures, personal or legal representatives, estates, beneficiaries, predecessors, successors and assigns, in their capacities as such.



**HOW DO I PARTICIPATE IN THE SETTLEMENT?  
WHAT DO I NEED TO DO?**

39. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation *postmarked (if mailed), or submitted online at [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), no later than January 30, 2025*. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-877-411-4801, or by emailing the Claims Administrator at [info@CerenceSecuritiesLitigation.com](mailto:info@CerenceSecuritiesLitigation.com). **Please retain all records of your ownership of and transactions in Cerence common stock, as they may be needed to document your Claim.** If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

**HOW MUCH WILL MY PAYMENT BE?**

40. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

41. Pursuant to the Settlement, Cerence and its insurers shall pay or cause to be paid \$30,000,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (i) any Taxes; (ii) any Notice and Administration Expenses; (iii) any litigation expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

42. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

43. Neither Defendants, Released Defendant Persons, nor any other person or entity who or which paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or Judgment approving the Settlement becomes Final. Defendants and the other Released Defendant Persons shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

44. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

45. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked (if mailed), or online, on or before January 30, 2025 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 33 above) against the Released Defendant Persons (as defined in ¶ 34 above) and will be permanently barred and enjoined from bringing any Released Plaintiffs’ Claims against the Released Defendant Persons, whether or not such Settlement Class Member submits a Claim Form.

46. Participants in and beneficiaries of any employee retirement and/or benefit plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to shares of Cerence common stock purchased/acquired through the ERISA Plan in any Claim Form they submit in this Litigation. They should include ONLY those eligible shares of Cerence common stock purchased/acquired during the Class Period outside of an ERISA Plan. Claims based on any ERISA Plan’s purchases/acquisitions of Cerence common stock during the Class Period may be made by the plan’s trustees.

47. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

48. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

49. Only Settlement Class Members, *i.e.*, persons and entities who purchased Cerence common stock during the Class Period, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities who are excluded from the Settlement Class by definition or who exclude themselves from the Settlement Class pursuant to an exclusion request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only security that is included in the Settlement is Cerence common stock.

50. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Lead Plaintiff. At the Settlement Hearing, Lead Counsel will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Settlement Class.**

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

51. Plaintiff's Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class; nor have Plaintiff's Counsel been paid for their litigation expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiff's Counsel in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intend to apply for payment from the Settlement Fund of Plaintiff's Counsel's litigation expenses and may apply for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class, in a total amount not to exceed \$300,000. The Court will determine the amount of any award of attorneys' fees or expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

52. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit related to the Settlement, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion addressed to: *Cerence Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. The request for exclusion must be **received no later than November 25, 2024**. You will not be able to exclude yourself from the Settlement Class after that date.

53. Each request for exclusion must: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*, Case No. 1:22-cv-10321-ADB (D. Mass.)"; (iii) state the number of shares of Cerence common stock that the person or entity requesting exclusion (A) owned as of the opening of trading on November 16, 2020 and (B) purchased/acquired and/or sold during the Class Period (from November 16, 2020 through February 4, 2022, inclusive), as well as the date, number of shares, and price of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative.

54. A request for exclusion shall not be valid and effective unless it provides all the information called for in ¶ 53 and is received within the time stated above, or is otherwise accepted by the Court.

55. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Released Defendant Persons. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Released Defendant Persons concerning the Released Plaintiffs' Claims.

56. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

57. Any Person who is excluded from the Class by virtue of having submitted a valid and timely request for exclusion may, at any point up to the day of the Settlement Hearing, submit a written revocation of request for exclusion following the same instructions in ¶ 52 above.

58. Cerence has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by the Parties.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

59. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

60. **Please Note:** The date and time of the Settlement Hearing may change without further written notice to the Settlement Class. The Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Settlement Class Members to appear at the hearing by phone, without further written notice to the Settlement Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Court’s docket and the Settlement website, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com). If the Court requires or allows Settlement Class Members to participate in the Settlement Hearing by telephone or video conference, the information for accessing the telephone or video conference will be posted to the Settlement website, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com).**

61. The Settlement Hearing will be held on December 16, 2024 at 10:00 a.m. Eastern Time, before the Honorable Allison D. Burroughs, either in person at the United States District Court for the District of Massachusetts, Courtroom 17 of the John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210, or by telephone or videoconference (in the discretion of the Court) for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class, and should be finally approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Litigation with prejudice against Defendants; (c) to determine whether the Settlement Class should be certified for purposes of the Settlement; (d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (e) to determine whether the motion by Lead Counsel for attorneys’ fees and litigation expenses should be approved; and (f) to consider any other matters that may properly be brought before the Court in connection with the Settlement. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for attorneys’ fees and litigation expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

62. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and litigation expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the District of Massachusetts at the address set forth below as well as serve copies on Lead Counsel and Defendants’ Counsel at the addresses set forth below ***on or before November 25, 2024***.

<u>Clerk’s Office</u>	<u>Lead Counsel</u>	<u>Defendants’ Counsel</u>
United States District Court District of Massachusetts John Joseph Moakley U.S. Courthouse 1 Courthouse Way Boston, MA 02210	Bernstein Litowitz Berger & Grossmann LLP John Rizio-Hamilton, Esq. 1251 Avenue of the Americas New York, NY 10020  -and-  Saxena White P.A. Joshua H. Saltzman, Esq. 10 Bank Street, Suite 882 White Plains, NY 10606	Goodwin Procter LLP Deborah S. Birnbach, Esq. 100 Northern Avenue Boston, MA 02210

63. Any objections, filings, and other submissions by the objecting Settlement Class Member: (a) must identify the case name and docket number, *City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*, Case No. 1:22-cv-10321-ADB (D. Mass.); (b) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (c) must state with specificity the grounds for the Settlement Class Member's objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; (d) must state the number of times the Settlement Class Member and/or his, her, or its counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case; and (e) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Cerence common stock that the objecting Settlement Class Member (A) held as of the opening of trading on November 16, 2020 and (B) purchased/acquired and/or sold during the Class Period (from November 16, 2020 through February 4, 2022, inclusive), as well as the date, number of shares, and price of each such purchase/acquisition and sale. The objecting Settlement Class Member shall provide documentation establishing membership in the Settlement Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

**64. You may not object to the Settlement, Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.**

65. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless (i) you first submit a written objection in accordance with the procedures described above and (ii) you first submit your notice of appearance in accordance with the procedures described below; unless the Court orders otherwise.

66. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 62 above so that it is **received on or before November 25, 2024**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

67. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 62 above so that the notice is **received on or before November 25, 2024**.

**68. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT SHARES OF CERENCE COMMON STOCK  
ON SOMEONE ELSE'S BEHALF?**

69. If you purchased or otherwise acquired Cerence common stock during the period from November 16, 2020 through February 4, 2022, inclusive, for the beneficial interest of a person or entity other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form ("Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, mailing addresses, and, if available, email addresses, of all such beneficial owners to *Cerence Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173038, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of

this Notice and the Claim Form may be obtained from the Settlement website, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com), by calling the Claims Administrator toll-free at 1-877-411-4801, or by emailing the Claims Administrator at [info@CerenceSecuritiesLitigation.com](mailto:info@CerenceSecuritiesLitigation.com).

**CAN I SEE THE COURT FILE?  
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

70. This Notice contains only a summary of the terms of the Settlement. For the terms and conditions of the Settlement, please see the Stipulation available at [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com). Copies of any related orders entered by the Court and certain other filings in this Litigation will also be posted on this website. More detailed information about the matters involved in this Litigation can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.mad.uscourts.gov/>, or by visiting, during regular office hours, the Office of the Clerk, United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210.

All inquiries concerning this Notice and the Claim Form should be directed to:

*Cerence Securities Litigation*  
c/o A.B. Data, Ltd.  
P.O. Box 173038  
Milwaukee, WI 53217

1-877-411-4801  
[info@CerenceSecuritiesLitigation.com](mailto:info@CerenceSecuritiesLitigation.com)  
[www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com)

and/or

John Rizio-Hamilton, Esq.  
Bernstein Litowitz Berger & Grossmann LLP  
1251 Avenue of the Americas  
New York, NY 10020  
1-800-380-8496  
[settlements@blbglaw.com](mailto:settlements@blbglaw.com)

Joshua H. Saltzman, Esq.  
Saxena White P.A.  
10 Bank Street, Suite 882  
White Plains, NY 10606  
(914) 437-8551  
[jsaltzman@saxenawhite.com](mailto:jsaltzman@saxenawhite.com)

**PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR  
DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

Dated: October 2, 2024

By Order of the Court  
United States District Court  
for the District of Massachusetts

## APPENDIX A

**Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants**

71. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Lead Plaintiff after consultation with its damages expert. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any Orders regarding a modification to the Plan of Allocation will be posted on the website [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com). No Defendant, nor any other Released Defendant Person, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Plan of Allocation.

72. The Settlement Amount of \$30,000,000.00 together with any interest earned thereon is the “Settlement Fund.” The Settlement Fund, less (i) any Taxes; (ii) any Notice and Administration Expenses; (iii) any litigation expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court (the “Net Settlement Fund”) shall be distributed to Settlement Class Members who submit timely and valid Claim Forms to the Claims Administrator (“Authorized Claimants”).

73. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Litigation.

74. In this case, Lead Plaintiff alleges that Defendants made materially false and misleading statements and omissions during the Class Period, which had the effect of artificially inflating the trading price of Cerence stock. Lead Plaintiff alleges that corrective information allegedly impacting the price of Cerence stock was released to the market and resulted in potentially recoverable damages (“corrective disclosure”) on November 22, 2021, December 15, 2021, and February 7, 2022. The Plan of Allocation is intended to compensate investors who purchased or otherwise acquired Cerence stock during the Class Period, held through the issuance of at least one alleged corrective disclosure, and have a “Recognized Loss Amount” as described below.<sup>3</sup>

75. The Plan of Allocation is not a formal damage analysis. The Recognized Loss Amount is not intended to estimate the amount a Settlement Class Member may have been able to recover after a trial, nor to estimate the amount the Settlement Class Member will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. The allocation below is based on the alleged inflation per share amounts for Class Period share purchases and sales as determined by Lead Plaintiff’s damages expert, as well as the statutory limitations of the Private Securities Litigation Reform Act of 1995 (“PSLRA”).<sup>4</sup>

76. The Plan of Allocation was developed in consultation with Lead Plaintiff’s damages expert. In developing the Plan of Allocation, Lead Plaintiff’s damages expert calculated the estimated amount of alleged artificial inflation in the price of Cerence stock that was allegedly proximately caused by Defendants’ alleged materially false and misleading statements and omissions the Court previously found to be adequately alleged. In calculating the estimated impact allegedly caused by those misrepresentations and omissions, Lead Plaintiff’s damages expert considered the price changes in Cerence stock in reaction to the public disclosures that allegedly corrected the alleged misrepresentation or omissions, adjusting the price change for factors that were attributable to market or industry forces.

77. In order to have recoverable damages under the federal securities laws, disclosures relating to the alleged misrepresentations and/or omissions must be a cause of the decline in the price of the security.

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<sup>3</sup> Any transactions in Cerence stock executed outside regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next trading session.

<sup>4</sup> The PSLRA, 15 U.S.C. 78u-4(e), provides that “[i]n any private action arising under [the Securities Exchange Act of 1934] in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the PSLRA, Recognized Loss Amounts for Cerence stock are reduced to an appropriate extent by taking into account the closing prices of Cerence stock during the 90-day look-back period. The mean (average) closing price for Cerence stock during this 90-day look-back period was \$34.84 per share as shown in Table 2.

### CALCULATION OF RECOGNIZED LOSS AMOUNTS

78. Based on the formulas stated below, a Recognized Loss Amount will be calculated for each purchase or acquisition of Cerence stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

79. For each share of Cerence common stock purchased or otherwise acquired from November 16, 2020 through February 4, 2022, and:

- (a) sold prior to November 22, 2021, the Recognized Loss Amount will be \$0.00;
- (b) sold from November 22, 2021 through February 4, 2022, inclusive, the Recognized Loss Amount will be *the lesser of*: (i) the decline in alleged inflation during the holding period (as presented in Table 1 below), and (ii) the purchase price minus the sale price;
- (c) sold from February 5, 2022 through and including the close of trading on May 6, 2022, the Recognized Loss Amount will be *the least of*: (i) the decline in alleged inflation during the holding period (as presented in Table 1 below), (ii) the purchase price minus the sale price, or (iii) the purchase price minus the average closing price between February 7, 2022 and the date of sale as stated in Table 2 below;
- (d) held as of the close of trading on May 6, 2022, the Recognized Loss Amount will be *the lesser of*: (i) the decline in alleged inflation during the holding period (as presented in Table 1 below), or (ii) the purchase price minus \$34.84, the average closing price for Cerence stock between February 7, 2022 and May 6, 2022 (the last entry in Table 2 below).

### ADDITIONAL PROVISIONS

80. **Calculation of Claimant's "Recognized Claim"**: A claimant's "Recognized Claim" under the Plan of Allocation will be the sum of their Recognized Loss Amounts.

81. **FIFO Matching**: For Settlement Class Members who held Cerence stock at the beginning of the Class Period or made multiple purchases, acquisitions or sales during the Class Period, the First-In, First-Out ("FIFO") method will be applied to such holdings, purchases, acquisitions and sales for purposes of calculating a claim. Under the FIFO method, sales of Cerence stock during the Class Period will be matched, in chronological order, first against any Cerence stock held at the beginning of the Class Period. The remaining sales of Cerence stock during the Class Period will then be matched, in chronological order, against Cerence stock purchased or acquired during the Class Period.

82. A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net overall loss, after all profits from transactions in Cerence stock described above during the Class Period are subtracted from all losses. However, the proceeds from sales of Cerence stock that have been matched against Cerence stock held at the beginning of the Class Period will not be used in the calculation of such net loss.

83. If a claimant suffered an overall market loss with respect to their overall transactions in Cerence stock during the Class Period but that market loss was less than the claimant's total Recognized Claim calculated above, then the claimant's Recognized Claim will be limited to the amount of the actual market loss. For purposes of determining whether a claimant had a market gain, or suffered a market loss, with respect to a claimant's overall transactions of Cerence stock during the Class Period, the Claims Administrator will determine the difference between the claimant's (i) Total Purchase Amount<sup>5</sup> and (ii) the sum of the Total Sales Proceeds<sup>6</sup> and Holding Value.<sup>7</sup>

<sup>5</sup> The "Total Purchase Amount" is the total amount the claimant paid (excluding commissions and other charges) for Cerence stock purchased or otherwise acquired during the Class Period.

<sup>6</sup> The Claims Administrator will match any sales of Cerence stock from the start of the Class Period through and including the close of trading on February 4, 2022 first against the claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Cerence stock sold from the start of the Class Period through and including the close of trading on February 4, 2022 will be the "Total Sales Proceeds."

<sup>7</sup> The Claims Administrator will ascribe a "Holding Value" equal to \$43.61 for each share of Cerence stock purchased or acquired during the Class Period and still held as of the close of trading February 4, 2022.

84. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis, based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

85. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

86. A purchase, acquisition or sale of Cerence stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Cerence stock during the Class Period shall not be deemed a purchase, acquisition or sale of Cerence stock for the calculation of a claimant’s recognized claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such share unless specifically provided in the instrument of gift or assignment. The receipt of Cerence stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or acquisition of Cerence stock.

87. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Cerence stock. The date of a “short sale” is deemed to be the date of sale of Cerence stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a claimant has an opening short position in Cerence stock, their earliest Class Period purchases or acquisitions of Cerence stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

88. Option contracts to purchase or sell Cerence common stock are not securities eligible to participate in the Settlement. With respect to Cerence common stock purchased or sold through the exercise of an option, the purchase/sale date of the Cerence common stock is the exercise date of the option, and the purchase/sale price is the exercise price of the option.

89. Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Authorized Claimants. Thereafter, any balance that still remains in the Net Settlement Fund shall be donated to Greater Boston Legal Services, subject to approval by the Court.

90. Please contact the Claims Administrator or Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

91. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

92. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. No Person shall have any claim against Lead Plaintiff, Plaintiff’s Counsel, the Claims Administrator, or other Person designated by Counsel, Defendants, or Defendants’ Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Settlement Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.



**TABLE 1****Decline in Alleged Inflation Per Share by Date of Purchase and Date of Sale**

Purchase Date	Sale Date			Sold on or Retained Beyond 2/7/2022
	11/16/2020 - 11/21/2021	11/22/2021 - 12/14/2021	12/15/2021 - 2/4/2022	
11/16/2020 - 11/21/2021	\$0.00	\$18.53	\$29.44	\$49.60
11/22/2021 - 12/14/2021		\$0.00	\$10.91	\$31.07
12/15/2021 - 2/4/2022			\$0.00	\$20.16
Purchased on or Beyond 2/7/2022				\$0.00

TABLE 2

## Cerence Stock Closing Prices and Average Closing Prices

Date	Closing Price	Average Closing Price Between February 7, 2022 and Date Shown	Date	Closing Price	Average Closing Price Between February 7, 2022 and Date Shown
2/7/2022	\$43.61	\$43.61	3/24/2022	\$36.54	\$36.66
2/8/2022	\$45.79	\$44.70	3/25/2022	\$35.79	\$36.64
2/9/2022	\$46.00	\$45.13	3/28/2022	\$35.70	\$36.61
2/10/2022	\$44.47	\$44.97	3/29/2022	\$38.33	\$36.66
2/11/2022	\$43.34	\$44.64	3/30/2022	\$37.21	\$36.67
2/14/2022	\$42.92	\$44.36	3/31/2022	\$36.10	\$36.66
2/15/2022	\$43.23	\$44.19	4/1/2022	\$37.34	\$36.67
2/16/2022	\$41.70	\$43.88	4/4/2022	\$37.75	\$36.70
2/17/2022	\$40.48	\$43.50	4/5/2022	\$35.45	\$36.67
2/18/2022	\$38.40	\$42.99	4/6/2022	\$34.18	\$36.61
2/22/2022	\$36.84	\$42.43	4/7/2022	\$34.05	\$36.55
2/23/2022	\$35.64	\$41.87	4/8/2022	\$33.00	\$36.47
2/24/2022	\$35.88	\$41.41	4/11/2022	\$33.49	\$36.41
2/25/2022	\$35.80	\$41.01	4/12/2022	\$33.76	\$36.35
2/28/2022	\$36.11	\$40.68	4/13/2022	\$33.32	\$36.28
3/1/2022	\$33.25	\$40.22	4/14/2022	\$32.40	\$36.20
3/2/2022	\$33.59	\$39.83	4/18/2022	\$32.04	\$36.12
3/3/2022	\$32.37	\$39.41	4/19/2022	\$33.01	\$36.06
3/4/2022	\$30.80	\$38.96	4/20/2022	\$32.83	\$35.99
3/7/2022	\$29.90	\$38.51	4/21/2022	\$31.53	\$35.91
3/8/2022	\$30.67	\$38.13	4/22/2022	\$30.46	\$35.80
3/9/2022	\$32.74	\$37.89	4/25/2022	\$30.37	\$35.70
3/10/2022	\$32.04	\$37.63	4/26/2022	\$28.07	\$35.56
3/11/2022	\$31.55	\$37.38	4/27/2022	\$28.45	\$35.44
3/14/2022	\$30.29	\$37.10	4/28/2022	\$30.08	\$35.34
3/15/2022	\$32.31	\$36.91	4/29/2022	\$29.50	\$35.24
3/16/2022	\$33.92	\$36.80	5/2/2022	\$30.46	\$35.16
3/17/2022	\$37.00	\$36.81	5/3/2022	\$30.59	\$35.09
3/18/2022	\$36.28	\$36.79	5/4/2022	\$31.81	\$35.03
3/21/2022	\$35.25	\$36.74	5/5/2022	\$29.54	\$34.94
3/22/2022	\$36.04	\$36.72	5/6/2022	\$28.72	\$34.84
3/23/2022	\$35.09	\$36.67			

# EXHIBIT B

Table with multiple columns showing mutual fund performance metrics including YTD, 12Wk, 5Yr, and Net Asset Value. Funds listed include A-Jenn Growth, PIMCO Fds Instl, and various global and domestic equity funds.

This announcement is neither an offer to buy nor a solicitation of an offer to sell securities. Such offer is being made solely by the Offer to Purchase provided to shareholders of record and is not being made to, and tenders will not be accepted from or on behalf of, shareholders residing in any state in which making or accepting the offer would violate that jurisdiction's laws.

NOTICE OF OFFER TO PURCHASE FOR CASH

Up to 5,000,000 Shares of common stock of CNL HEALTHCARE PROPERTIES, INC. (the "REIT") at a price of \$3.71 per Share by: Comrit Investments I, Limited Partnership (the "Purchaser")

The Purchaser is offering to purchase for cash up to 5,000,000 shares of common stock ("Shares") of the REIT at a price of \$3.71 per Share upon the terms and subject to the conditions set forth in the Purchaser's Offer to Purchase and in the related Assignment Form for the offer (which together constitute the "Offer" and the "Tender Offer Documents").

The Purchaser is not affiliated with the REIT and is seeking to profit from the Offer. The REIT established an estimated net asset value per Share ("Estimated Per Share NAV") of \$6.28 as of December 31, 2023. The REIT may publish an update to its Estimated Per Share NAV during the period in which the Offer is open.

Funding for the purchase of the Shares will be provided through the Purchaser's available cash on hand. The Offer is not being made for the purpose of acquiring or influencing control of the business of the REIT. The Offer will expire at 11:59 p.m., Eastern Time on December 11, 2024, unless and until the Purchaser, in its sole discretion, shall have extended the period of time for which the Offer is open (such date and time, as extended the "Expiration Date").

Tenders of Shares made pursuant to the Offer are irrevocable, except that shareholders who tender their Shares in response to the Offer will have the right to withdraw their tendered Shares at any time prior to the Expiration Date by sending to Central Trade and Transfer, LLC, an affiliate of Orchard Securities, LLC, Member FINRA/SIPC ("CTT"), a written or facsimile transmission notice of withdrawal identifying the name of the person who tendered Shares to be withdrawn, signed by the same persons and in the same manner as the Assignment Form tendering the Shares to be withdrawn.

For copies of the Tender Offer Documents, call CTT at 1-800-327-9990, make a written request addressed to 365 S. Garden Grove Lane, Suite 100, Pleasant Grove, Utah 84062, Attn: Comrit Investments I, Limited Partnership, email to offer@ctauctions.com, or visit www.ctauctions.com/offersdisclosures.

This announcement is neither an offer to buy nor a solicitation of an offer to sell securities. Such offer is being made solely by the Offer to Purchase provided to shareholders of record and is not being made to, and tenders will not be accepted from or on behalf of, shareholders residing in any state in which making or accepting the offer would violate that jurisdiction's laws.

NOTICE OF OFFER TO PURCHASE FOR CASH

Up to 1,300,000 Shares of common stock of INLAND REAL ESTATE INCOME TRUST, INC. (the "REIT") at a price of \$12.11 per Share by: Comrit Investments I, Limited Partnership (the "Purchaser")

The Purchaser is offering to purchase for cash up to 1,300,000 shares of common stock ("Shares") of the REIT at a price of \$12.11 per Share upon the terms and subject to the conditions set forth in the Purchaser's Offer to Purchase and in the related Assignment Form for the offer (which together constitute the "Offer" and the "Tender Offer Documents").

The Purchaser is not affiliated with the REIT and is seeking to profit from the Offer. The REIT established an estimated net asset value per Share ("Estimated Per Share NAV") of \$19.17 as of December 31, 2023. The REIT may publish an update to its Estimated Per Share NAV during the period in which the Offer is open.

Funding for the purchase of the Shares will be provided through the Purchaser's available cash on hand. The Offer is not being made for the purpose of acquiring or influencing control of the business of the REIT. The Offer will expire at 11:59 p.m., Eastern Time on December 11, 2024, unless and until the Purchaser, in its sole discretion, shall have extended the period of time for which the Offer is open (such date and time, as extended the "Expiration Date").

Tenders of Shares made pursuant to the Offer are irrevocable, except that shareholders who tender their Shares in response to the Offer will have the right to withdraw their tendered Shares at any time prior to the Expiration Date by sending to Central Trade and Transfer, LLC, an affiliate of Orchard Securities, LLC, Member FINRA/SIPC ("CTT"), a written or facsimile transmission notice of withdrawal identifying the name of the person who tendered Shares to be withdrawn, signed by the same persons and in the same manner as the Assignment Form tendering the Shares to be withdrawn.

For copies of the Tender Offer Documents, call CTT at 1-800-327-9990, make a written request addressed to 365 S. Garden Grove Lane, Suite 100, Pleasant Grove, Utah 84062, Attn: Comrit Investments I, Limited Partnership, email to offer@ctauctions.com, or visit www.ctauctions.com/offersdisclosures.

This announcement is neither an offer to buy nor a solicitation of an offer to sell securities. Such offer is being made solely by the Offer to Purchase provided to shareholders of record and is not being made to, and tenders will not be accepted from or on behalf of, shareholders residing in any state in which making or accepting the offer would violate that jurisdiction's laws.

NOTICE OF OFFER TO PURCHASE FOR CASH

Up to 740,740 Shares of common stock of PACIFIC OAK STRATEGIC OPPORTUNITY REIT, INC. (the "REIT") at a price of \$4.05 per Share by: Comrit Investments I, Limited Partnership (the "Purchaser")

The Purchaser is offering to purchase for cash up to 740,740 shares of common stock ("Shares") of the REIT at a price of \$4.05 per Share upon the terms and subject to the conditions set forth in the Purchaser's Offer to Purchase and in the related Assignment Form for the offer (which together constitute the "Offer" and the "Tender Offer Documents").

The Purchaser is not affiliated with the REIT and is seeking to profit from the Offer. The REIT established an estimated net asset value per share of \$8.03 on November 30, 2023, which reflects the REIT's estimated per share value as of September 30, 2023. The REIT may publish an update to its estimated value per share during the period in which this offer is open.

Funding for the purchase of the Shares will be provided through the Purchaser's available cash on hand. The Offer is not being made for the purpose of acquiring or influencing control of the business of the REIT. The Offer will expire at 11:59 p.m., Eastern Time on December 11, 2024, unless and until the Purchaser, in its sole discretion, shall have extended the period of time for which the Offer is open (such date and time, as extended the "Expiration Date").

Tenders of Shares made pursuant to the Offer are irrevocable, except that shareholders who tender their Shares in response to the Offer will have the right to withdraw their tendered Shares at any time prior to the Expiration Date by sending to Central Trade and Transfer, LLC, an affiliate of Orchard Securities, LLC, Member FINRA/SIPC ("CTT"), a written or facsimile transmission notice of withdrawal identifying the name of the person who tendered Shares to be withdrawn, signed by the same persons and in the same manner as the Assignment Form tendering the Shares to be withdrawn.

For copies of the Tender Offer Documents, call CTT at 1-800-327-9990, make a written request addressed to 365 S. Garden Grove Lane, Suite 100, Pleasant Grove, Utah 84062, Attn: Comrit Investments I, LP, email to offer@ctauctions.com, or visit www.ctauctions.com/offersdisclosures.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST, Individually and on Behalf of All Others Similarly Situated, Plaintiff,

Case No. 1:22-cv-10321-ADB Hon. Allison D. Burroughs

vs. CERENCE INC., SANJAY DHAWAN, and MARK J. GALLENBERGER, Defendants.

SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES

TO: All persons and entities who purchased or otherwise acquired the common stock of Cerence Inc. ("Cerence") during the period from November 16, 2020 through February 4, 2022, inclusive, and was damaged thereby (the "Settlement Class").

PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Massachusetts (the "Court"), that the above-captioned litigation (the "Litigation") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff has reached a proposed settlement of the Litigation for \$30,000,000 in cash (the "Settlement") on behalf of the Settlement Class, that, if approved, will resolve all claims in the Litigation.

A hearing will be held on December 16, 2024 at 10:00 a.m. Eastern Time, before the Honorable Allison D. Burroughs either in person at the United States District Court for the District of Massachusetts in Courtroom 17 of the John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210, or by telephone or videoconference (in the discretion of the Court) for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class, and should be finally approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Litigation with prejudice against Defendants; (c) to determine whether the Settlement Class should be certified for purposes of the Settlement; (d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (e) to determine whether the motion by Lead Counsel for attorneys' fees and Litigation Expenses should be approved; and (f) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

If you are a member of the Settlement Class, your rights will be affected by the pending Litigation and the Settlement, and you may be entitled to share in the Settlement Fund. If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at Cerence Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173038, Milwaukee, WI 53217, 1-877-411-4801. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, www.CerenceSecuritiesLitigation.com.

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form postmarked (if mailed), or online, no later than January 30, 2025, in accordance with the instructions set forth in the Claim Form. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any releases, judgments, or orders entered by the Court in connection with the Settlement.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is received no later than November 25, 2024, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Litigation and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses, must be filed with the Court and delivered to Lead Counsel and Defendants' Counsel such that they are received no later than November 25, 2024, in accordance with the instructions set forth in the Notice.

Please do not contact the Court, the Clerk's office, Cerence, the other Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

- BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP, John Rizio-Hamilton, Esq., 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, 1-800-380-8496, settlements@blbgllaw.com
- SAXENA WHITE P.A., Joshua H. Saltzman, Esq., 10 Bank Street, Suite 882, White Plains, NY 10606, (914) 437-8551, jsaltzman@saxenawhite.com

Requests for the Notice and Claim Form should be made to: Cerence Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173038, Milwaukee, WI 53217, 1-877-411-4801, www.CerenceSecuritiesLitigation.com

By Order of the Court

1 Certain persons and entities are excluded from the Settlement Class by definition, as set forth in the full printed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice").

Questions? Visit www.CerenceSecuritiesLitigation.com or call toll-free (877) 411-4801.

# EXHIBIT C

# Bernstein Litowitz Berger & Grossmann LLP and Saxena White P.A. Announce Pendency of Class Action and Proposed Settlement for All Persons and Entities Who Purchased or Otherwise Acquired the Common Stock of Cerence Inc. from November 16, 2020 through February 4, 2022

**NEWS PROVIDED BY**

**Bernstein Litowitz Berger & Grossmann LLP and Saxena White, P.A. →**

Oct 14, 2024, 10:00 ET

NEW YORK, Oct. 14, 2024 /PRNewswire/ --

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

-----	x	
CITY OF MIAMI FIRE FIGHTERS' AND POLICE	:	
OFFICERS' RETIREMENT TRUST,		
Individually and on Behalf of All Others Similarly	:	
Situated,		
	:	Case No. 1:22-cv-10321-ADB
Plaintiff,		
	:	Hon. Allison D. Burroughs
v.		
	:	
CERENCE INC., SANJAY DHAWAN, and	:	
MARK J. GALLENBERGER,		
	:	
Defendants.		
-----	x	

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION  
AND PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING;  
AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

**TO: All persons and entities who purchased or otherwise acquired the common stock of Cerence Inc. ("Cerence") during the period from November 16, 2020 through February 4, 2022, inclusive, and were damaged thereby (the "Settlement Class"):**<sup>1</sup>



PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Massachusetts (the "Court"), that the above-captioned litigation (the "Litigation") is pending in the Court.

YOU ARE ALSO NOTIFIED that Lead Plaintiff has reached a proposed settlement of the Litigation for \$30,000,000 in cash (the "Settlement") on behalf of the Settlement Class, that, if approved, will resolve all claims in the Litigation.

A hearing will be held on December 16, 2024 at 10:00 a.m. Eastern Time, before the Honorable Allison D. Burroughs either in person at the United States District Court for the District of Massachusetts in Courtroom 17 of the John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Suite 2300, Boston, MA 02210, or by telephone or videoconference (in the discretion of the Court) for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class, and should be finally approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Litigation with prejudice against Defendants; (c) to determine whether the Settlement Class should be certified for purposes of the Settlement; (d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (e) to determine whether the motion by Lead Counsel for attorneys' fees and Litigation Expenses should be approved; and (f) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

**If you are a member of the Settlement Class, your rights will be affected by the pending Litigation and the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at *Cerence Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173038, Milwaukee, WI 53217, 1-877-411-4801. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com)

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form **postmarked (if mailed), or online, no later than January 30, 2025**, in accordance with the instructions set forth in the Claim Form. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any releases, judgments, or orders entered by the Court in connection with the Settlement.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is **received no later than November 25, 2024**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Litigation and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and Litigation Expenses, must be filed with the Court and delivered to Lead Counsel and Defendants' Counsel such that they are **received no later than November 25, 2024**, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Cerence, the other Defendants, or their counsel regarding this notice. All** 

questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

BERNSTEIN LITOWITZ BERGER &  
GROSSMANN LLP  
John Rizio-Hamilton, Esq.  
1251 Avenue of the Americas, 44th Floor  
New York, NY 10020  
1-800-380-8496  
[settlements@blbglaw.com](mailto:settlements@blbglaw.com)

SAXENA WHITE P.A.  
Joshua H. Saltzman, Esq.  
10 Bank Street, Suite 882  
White Plains, NY 10606  
(914) 437-8551  
[jsaltzman@saxenawhite.com](mailto:jsaltzman@saxenawhite.com)

Requests for the Notice and Claim Form should be made to:

*Cerence Securities Litigation*  
c/o A.B. Data, Ltd.  
P.O. Box 173038  
Milwaukee, WI 53217

1-877-411-4801

[www.CerenceSecuritiesLitigation.com](http://www.CerenceSecuritiesLitigation.com)

By Order of the Court

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<sup>1</sup> Certain persons and entities are excluded from the Settlement Class by definition, as set forth in the full printed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice").

SOURCE Bernstein Litowitz Berger & Grossmann LLP and Saxena White, P.A.

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# **Exhibit 3**



# CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

## Securities Class Action Filings

2023 Year in Review

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# Executive Summary

Overall filing volume increased slightly in 2023 to 215 filings from 208 in 2022. The number of “core” filings—those excluding M&A filings—also increased slightly. The size of core filings when measured by Maximum Dollar Loss (MDL) rose 27%, but when measured by Disclosure Dollar Loss (DDL) fell 46%.<sup>1</sup>

The number of 1933 Act filings in state courts plummeted in 2023, falling to the lowest level since 2014. The combined number of federal Section 11 and state 1933 Act filings decreased 62% from 50 filings in 2022 to 19 filings in 2023. The number of special purpose acquisition company (SPAC), COVID-19-related, and cryptocurrency-related filings fell in 2023, and the 2023 Banking Turbulence trend category emerged.<sup>2</sup>

## Number and Size of Filings

- Plaintiffs filed 215 **new securities class action filings** (filings) in 2023, despite a large decline in **federal Section 11** and state filings with **claims under the Securities Act of 1933** (1933 Act). (page 4)
- The **DDL Index** fell by nearly half from \$618 billion in 2022 to \$335 billion in 2023, returning to 2019–2021 levels. The **MDL Index** increased to \$3.2 trillion, the second-highest amount on record. (pages 11, 13, and 14)

- Both the total number of initial public offerings (**IPOs**) and filings with 1933 Act claims fell in 2023, declining to their lowest points in the past 14 and 10 years, respectively. (pages 4 and 23)

*While the number of core filings increased slightly in 2023, DDL dropped by 46% and MDL rose by 27%.*

Figure 1: Federal and State Class Action Filings Summary

(Dollars in 2023 billions)

	Annual (1997–2022)			2022	2023
	Average	Maximum	Minimum		
Class Action Filings	227	427	120	208	215
Core Filings	192	267	120	201	209
Disclosure Dollar Loss (DDL)	\$226	\$618	\$72	\$618	\$335
Maximum Dollar Loss (MDL)	\$1,083	\$3,480	\$278	\$2,531	\$3,209

Note: This figure presents data on a combined federal and state filings basis. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. See Additional Notes to Figures for Counts and Totals Methodology.

<sup>1</sup> Reported MDL, DDL, and Dollar Loss on Offered Shares (DLOS) numbers are inflation-adjusted to 2023 dollars and will not match prior reports.

<sup>2</sup> 2023 Banking Turbulence filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023. The initial complaint against Silvergate Capital Corporation, parent company of Silvergate Bank, was filed on December 7, 2022; the amended complaint was filed on May 11, 2023.

# Key Trends in Federal and State Filings

In 2023, MDL was the second highest on record while DDL decreased by 46%. The combined number of federal Section 11 and state 1933 Act filings fell to the lowest level in the last 10 years. The share of core federal filings related to SPACs, COVID-19, and cryptocurrency fell to less than 20% in 2023, and the 2023 Banking Turbulence trend category emerged.

## Section 11 and M&A Filings

- The number of class action filings increased slightly despite a large decline in **federal Section 11 and state 1933 Act filings**. (page 4)
- The number of state court-only filings (two) was the lowest number since 2014. (page 4)
- Core federal filings without Section 11 allegations increased 26% to 190 in 2023 from 151 in 2022, while federal **M&A filings** (six) remained low. (page 4)

## Mega Filings

- There were 44 **mega MDL filings** in 2023 with a **total mega MDL** of \$2.9 trillion, a 30% increase from \$2.2 trillion in 2022 and the second-highest value on record. (page 14)
- There were 16 **mega DDL filings** in 2023, down from 18 in 2022. **Total mega DDL** decreased 60% from \$529 billion to \$211 billion, nearly returning to 2021 levels. (page 14)

## Core SPAC Filings

- **Core SPAC filings** fell by 39%, from 28 in 2022 to 17 in 2023—about half of the peak of 33 filings in 2021. (page 5)
- From 2019 to 2022, 35% of **core SPAC filings** were resolved, just over half of the **resolution rate** for all other core federal filings. (page 7)

## Cryptocurrency-Related Filings

- **Cryptocurrency-related filings** fell by 39% from the peak in 2022. Eleven of the 14 cryptocurrency-related filings in 2023 were filed in 2023 H1. (page 5)
- Filings involving **allegations against an exchange** accounted for seven of the 14 (50%) total cryptocurrency-related filings in 2023. (page 9)

## Trend Filings

- Nine securities class actions related to the **2023 Banking Turbulence** were filed (one in 2022 H2 and eight in 2023), representing a new emerging trend category. (page 5)
- **COVID-19-related filings** fell by 50% from the peak of 20 filings in 2022 to 10 filings in 2023, the lowest yearly total since the pandemic began in 2020. (page 5)

## By Industry

- Total DDL in the **Communications sector** decreased eightfold from the record high in 2022. (page 26)
- The number of filings in the **Financial sector** more than doubled relative to that in 2022, accounting for 12% of filings in 2023, driven in part by the turbulence in the banking industry in early 2023. (page 26)

## By Circuit

- Core federal filings in the **Second Circuit** declined for the second consecutive year, falling to 50 in 2023, below the 1997–2022 annual average of 56. (page 27)
- The **Ninth Circuit** made up 32% of all core federal filings in 2023, while accounting for 56% of total federal MDL. (page 27)

## U.S. Issuers

- The percentage of **U.S. exchange-listed companies** subject to filings increased slightly to 3.3%, but is still the second lowest since 2012 and below the 1997–2022 annual average of 3.9%. Similarly, the percentage of these companies subject to core filings in 2023 decreased to its second-lowest point in the last 10 years (3.2%). (page 16)
- The likelihood of an **S&P 500 company** being the subject of a core federal filing nearly doubled year-over-year to 7.1%. (pages 17–18)

# Featured: Annual Rank of Filing Intensity

- In 2023, total DDL fell by 46% from the record high in 2022.
- The MDL Index reached \$3.2 trillion in 2023, the second-highest amount on record, increasing by 27% from 2022.
- The number of 1933 Act filings in state and federal courts plummeted to the lowest number since 2013, decreasing 62% relative to the number in 2022.
- The number of M&A filings decreased 14% to the lowest level on record.
- The rate of filings against U.S. exchange-listed companies remained consistently low in 2023.
- The percentage of S&P 500 companies subject to a core filing almost doubled from 3.8% in 2022 to 7.1% in 2023, reaching a level not seen since 2019.

*While the number of core filings in 2023 increased slightly relative to that in 2022, DDL dropped by 46% and MDL rose by 27%.*

Figure 2: Annual Rank of Measurements of Federal and State Filing Intensity

	2021	2022	2023
<b>Number of Total Filings</b>	10 <sup>th</sup>	15 <sup>th</sup>	13 <sup>th</sup>
Core Filings	14 <sup>th</sup>	13 <sup>th</sup>	10 <sup>th</sup>
M&A Filings	9 <sup>th</sup>	13 <sup>th</sup>	15 <sup>th</sup>
<b>Size of Core Filings</b>			
Disclosure Dollar Loss	10 <sup>th</sup>	1 <sup>st</sup>	7 <sup>th</sup>
Maximum Dollar Loss	12 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>
<b>Percentage of U.S. Exchange-Listed Companies Sued</b>			
Total Filings	7 <sup>th</sup>	15 <sup>th</sup>	12 <sup>th</sup>
Core Filings	6 <sup>th</sup>	16 <sup>th</sup>	11 <sup>th</sup>
<b>Percentage of S&amp;P 500 Companies Subject to Core Federal Filings</b>	21 <sup>st</sup>	16 <sup>th</sup>	6 <sup>th</sup>

Note: This figure presents combined federal and state data in the rankings in all categories beginning in 2010, except the Percentage of S&P 500 Companies Subject to Core Federal Filings, which excludes state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, the filing counts determining the rankings in this figure may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. Rankings cover 1997 through 2022 with the exceptions of M&A filings, which have been tracked as a separate category since 2009, and analysis of the litigation likelihood of S&P 500 companies, which began in 2001. M&A filings are securities class actions filed in federal courts that have Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(a) claims, and involve merger and acquisition transactions. Core filings are all state 1933 Act class actions and all federal securities class actions excluding those defined as M&A filings.

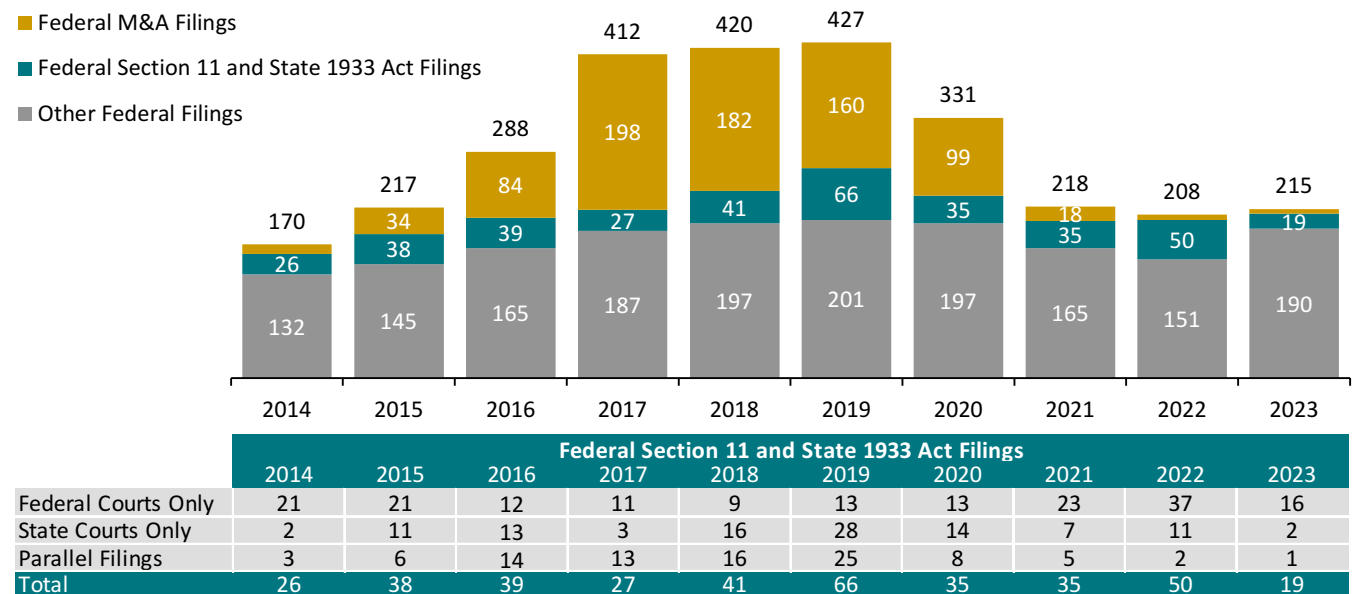


# Combined Federal and State Filing Activity

- Plaintiffs filed 215 new securities class actions in federal and state courts in 2023, slightly more than in 2022 (208 filings).
- The combined number of federal Section 11 and state 1933 Act filings decreased 62% from 50 filings in 2022 to 19 filings in 2023.
- In 2023, core federal filings without Section 11 allegations, including Section 10(b)-only filings, increased 26% to 190 from 151 in 2022. This increase more than compensated for the large decline in Section 11 filings.
- The number of state court-only filings dropped from 11 in 2022 to two in 2023, an 82% decrease.
- Federal court-only filings made up 84% of federal Section 11 and state 1933 Act filings in 2023, the highest share in the last 10 years. This share has continued to increase from 66% in 2021 and 74% in 2022.
- Federal M&A filing activity remained low (six filings).

*The number of filings increased slightly despite a large decline in federal Section 11 and state 1933 Act filings.*

Figure 3: Federal Filings and State 1933 Act Filings by Venue 2014–2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; Institutional Shareholder Services’ Securities Class Action Services (ISS’ SCAS)

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

# Summary of Core Federal Trend Filings

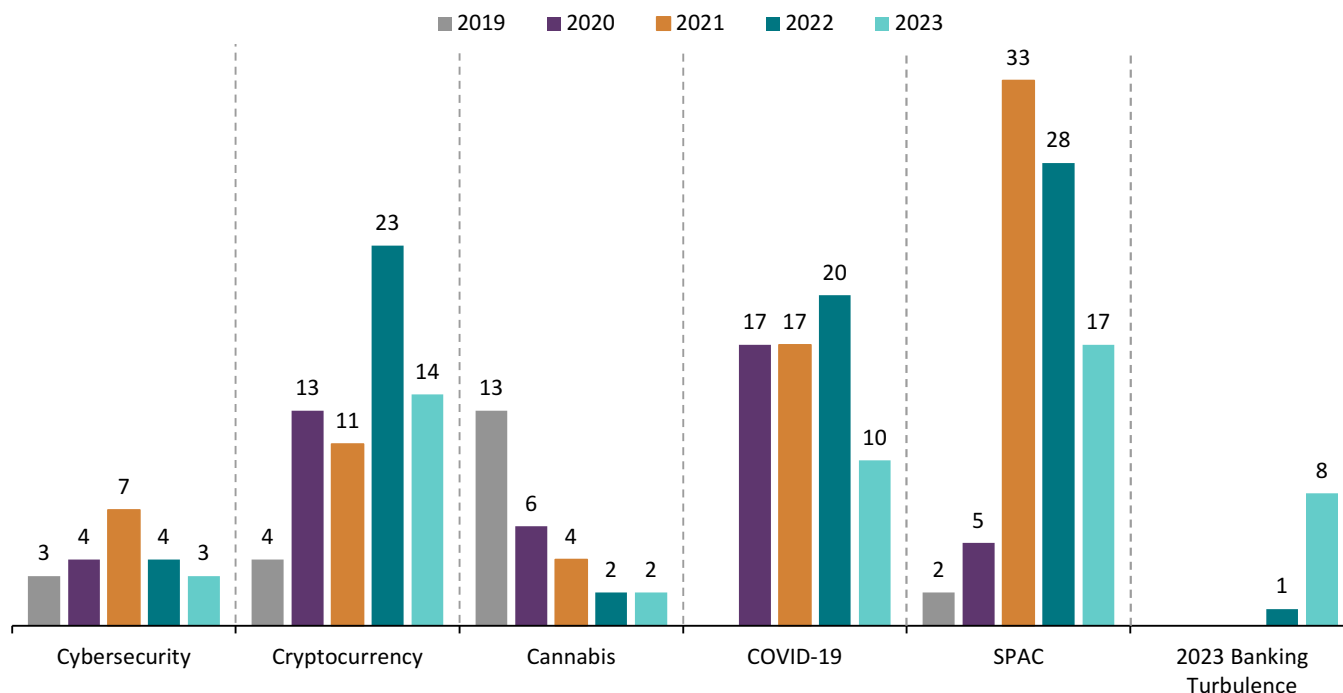
This figure highlights recent trend categories that have appeared in core federal filing activity. See the Glossary for the definition of a trend category.

- The number of filings in the top three trend categories—SPAC (17 filings), cryptocurrency (14 filings), and COVID-19 (10 filings)—comprised less than 20% of core federal filings in 2023, down from 35% in 2022.
- Core SPAC filings fell by 39%, from 28 in 2022 to 17 in 2023—about half of the peak of 33 filings in 2021.
- Cryptocurrency-related filings fell by 39% from the peak in 2022 to a level in line with 2020 and 2021. Eleven of the 14 cryptocurrency-related filings in 2023 were filed in 2023 H1.
- COVID-19-related filings fell by 50% from the peak of 20 filings in 2022 to 10 filings in 2023, the lowest yearly total since the pandemic began in 2020.

*The number of filings related to SPACs, COVID-19, and cryptocurrency fell in 2023, and the 2023 Banking Turbulence trend category emerged.*

- There were three cybersecurity-related filings in 2023, down from four in 2022.
- There were only two cannabis-related filings in 2023, the same number as in 2022, and far below the peak of 13 filings in 2019.
- Nine securities class actions related to the 2023 Banking Turbulence were filed (one in 2022 H2 and eight in 2023), representing a new emerging trend category.<sup>3</sup> More than 50% of 2023 Banking Turbulence trend category filings were either mega MDL or mega DDL filings.

Figure 4: Summary of Trend Filings—Core Federal Filings 2019–2023



Note: All trend categories only count core federal filings. As such, this figure excludes M&A SPAC filings. There were five, two, one, one, and one of such filings in 2019, 2020, 2021, 2022, and 2023, respectively. As a result, this figure's filing counts may not match Figure 9. Some filings may be included in more than one trend category. See Additional Notes to Figures for trend category definitions, more detailed information, and Counts and Totals Methodology.

<sup>3</sup> 2023 Banking Turbulence filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023. The initial complaint against Silvergate Capital Corporation, parent company of Silvergate Bank, was filed on December 7, 2022; the amended complaint was filed on May 11, 2023.

# Status of Core Federal Filings by Trend Category

This analysis compares filing groups to determine whether filing outcomes of core federal cryptocurrency-related, SPAC, and COVID-19-related trend category filings differ from outcomes of other types of core federal filings.

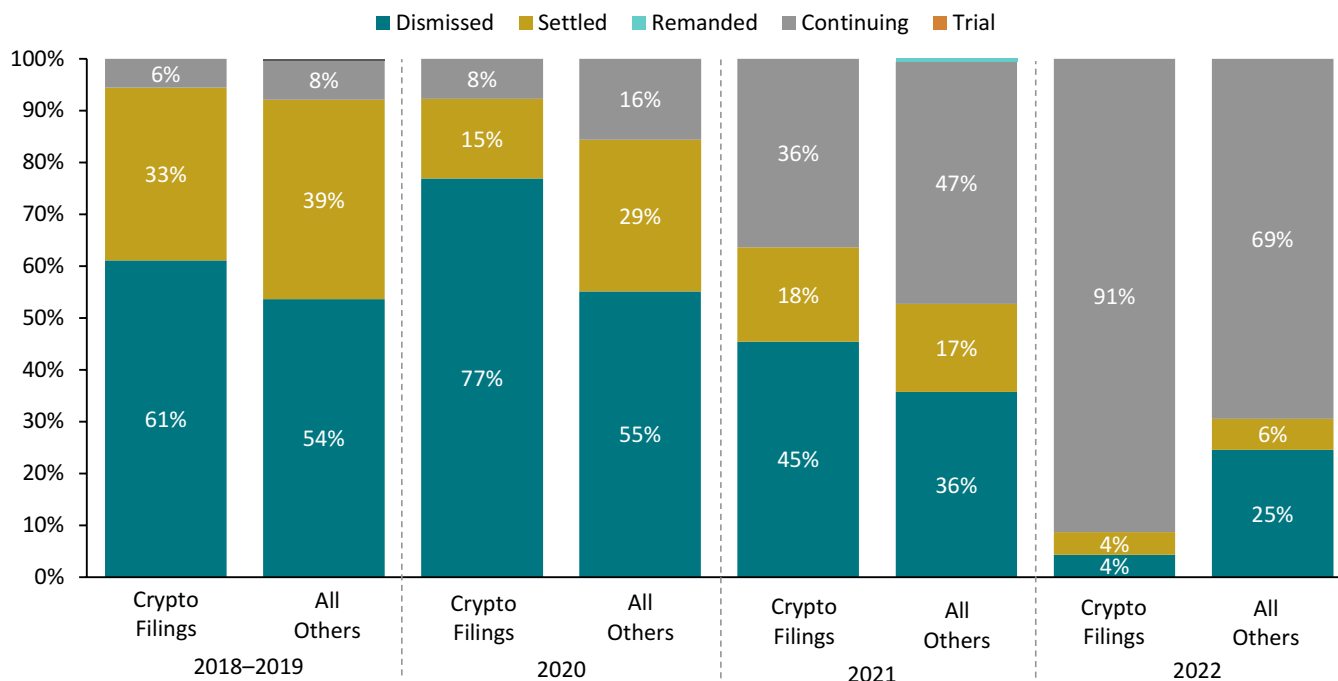
The figure below compares the outcomes as of 2023 of cryptocurrency-related filings that were filed in 2018–2022 to the outcomes of all other core federal filings in the same period. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or by trial.

- The settlement and dismissal rates for other core federal and cryptocurrency-related filings were similar for filings from 2018 to 2019.

*In contrast to earlier years, cryptocurrency-related filings in 2022 were resolved at a much lower rate than other core federal filings.*

- Filings related to cryptocurrency in 2020 and 2021 had a higher dismissal rate than other core federal filings.
- The dismissal rate of other core federal filings brought in 2022 was about six times the dismissal rate of cryptocurrency-related filings brought in 2022.
- In April 2020, two law firms filed 11 similar cryptocurrency-related securities class actions. Of these 11 filings, nine were dismissed, one was settled, and one is ongoing.

Figure 5: Status of Core Federal Cryptocurrency-Related Filings 2018–2022



Note: Percentages may not sum to 100% due to rounding. Because a high percentage of lawsuits in 2023 are ongoing, this figure excludes the 2023 cohort.

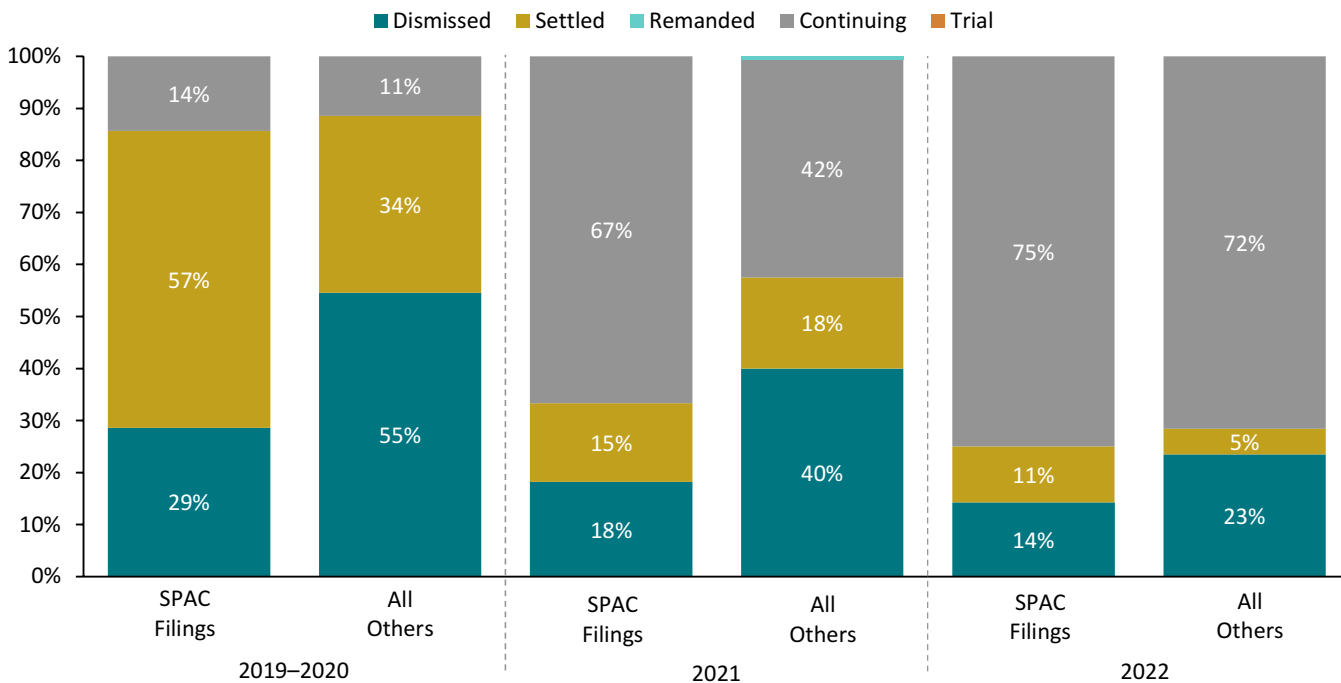
This figure compares the outcomes of core federal SPAC filings to the outcomes of all other core federal filings from 2019 to 2022.

- More than half of SPAC filings from 2019 to 2020 (four filings) were settled, compared to just over a third of all other core federal filings from 2019 to 2020.
- The dismissal rate for filings in the 2021 SPAC cohort was less than half the dismissal rate of all other core federal filings in the 2021 cohort.

*From 2019 to 2022, 35% of SPAC filings were resolved, just over half of the resolution rate for all other core federal filings.*

- While filings in the 2022 SPAC cohort and all other core federal filings from 2022 were resolved at a similar rate, filings in the 2022 SPAC cohort were dismissed at a lower rate but settled at a higher rate.

Figure 6: Status of Core Federal SPAC Filings 2019–2022



Note: Percentages may not sum to 100% due to rounding. This figure excludes M&A SPAC filings. There were five, two, one, one, and one of such filings in 2019, 2020, 2021, 2022, and 2023, respectively. Because of the low volume of lawsuits in 2019 and 2020 (seven total), these two years have been combined. Because a high percentage of lawsuits in 2023 are ongoing, this figure excludes the 2023 cohort.

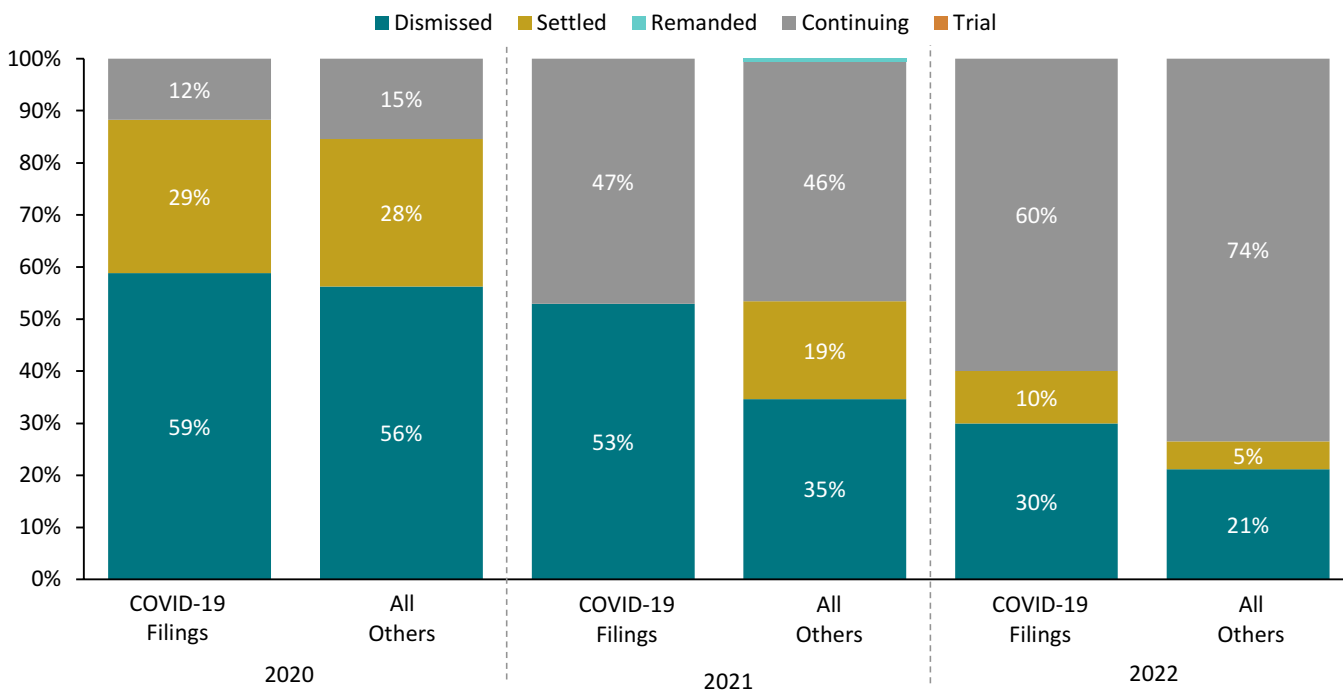
This figure compares the outcomes of core federal COVID-19-related filings to the outcomes of all other core federal filings from 2020 to 2022.

- No COVID-19-related filings in the 2021 cohort have settled as of the end of 2023, compared to 19% of all other core federal filings in the 2021 cohort.
- The resolution rates of COVID-19-related and all other core federal filings from 2020 and 2021 were nearly the same. This differs from the 2022 cohort, where COVID-19-related filings were resolved at a higher rate than all other filings.

- Early outcomes for the 2022 COVID-19-related filing cohort indicate a higher dismissal rate than for all other core federal filings.

*On average, COVID-19-related filings had higher dismissal rates and lower settlement rates than all other core federal filings.*

Figure 7: Status of Core Federal COVID-19-Related Filings 2020–2022



Note: Percentages may not sum to 100% due to rounding. Because a high percentage of lawsuits in 2023 are ongoing, this figure excludes the 2023 cohort.

# Summary of Federal Cryptocurrency-Related Filings

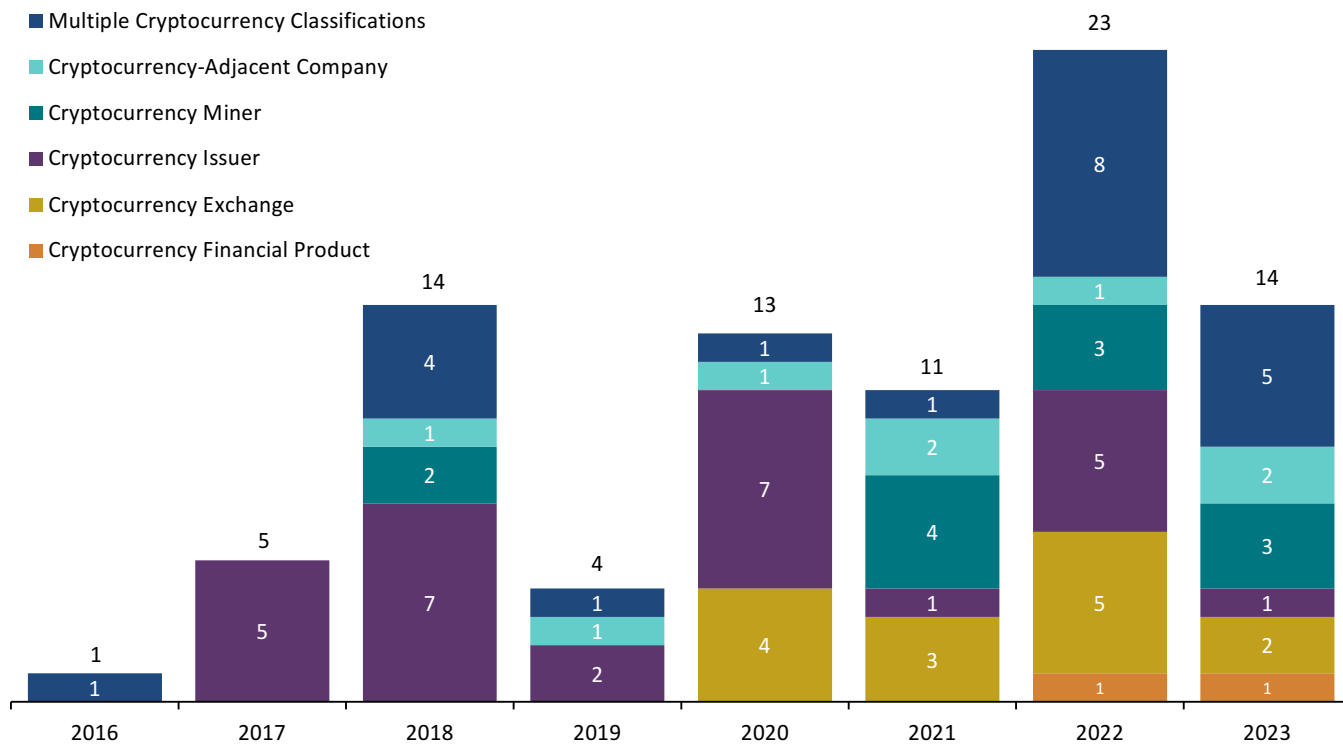
This figure categorizes cryptocurrency-related filings since 2016. See Additional Notes to Figures for definitions and Appendix 8 for a detailed breakdown of total filings. See also Cornerstone Research’s latest report on *SEC Cryptocurrency Enforcement—2023 Update*.

- Filings involving allegations against cryptocurrency exchanges—including all five filings with multiple cryptocurrency classifications—accounted for seven of the 14 (50%) total cryptocurrency-related filings in 2023. This is up from the 2022 share of 43% and up substantially from the 2016–2022 average of 30%.
- From 2016 to 2019, only 8% of cryptocurrency-related filings included allegations against cryptocurrency exchanges. From 2020 to 2023, 43% of cryptocurrency-related filings had allegations against an exchange.

## Cryptocurrency-related filings in 2023 declined substantially due to relatively few cryptocurrency-related filings in 2023 H2.

- From 2016 to 2020, 73% of cryptocurrency-related filings included allegations against cryptocurrency issuers. Following 2020, this figure dropped sharply to 31% of cryptocurrency-related filings.
- When accounting for filings with multiple cryptocurrency classifications, the number of filings in each category in 2023 was less than or equal to the number of filings in the same category in 2022. See Appendix 8.

Figure 8: Summary of Cryptocurrency-Related Filings—Core Federal Filings 2016–2023



Note: Filings with multiple classifications include allegations relating to two or more of the cryptocurrency classifications; therefore, total counts by category discussed may not match counts shown in the figure (see Appendix 8). See Additional Notes to Figures for Counts and Totals Methodology and cryptocurrency filing classifications.

# Federal SPAC Filing Allegations

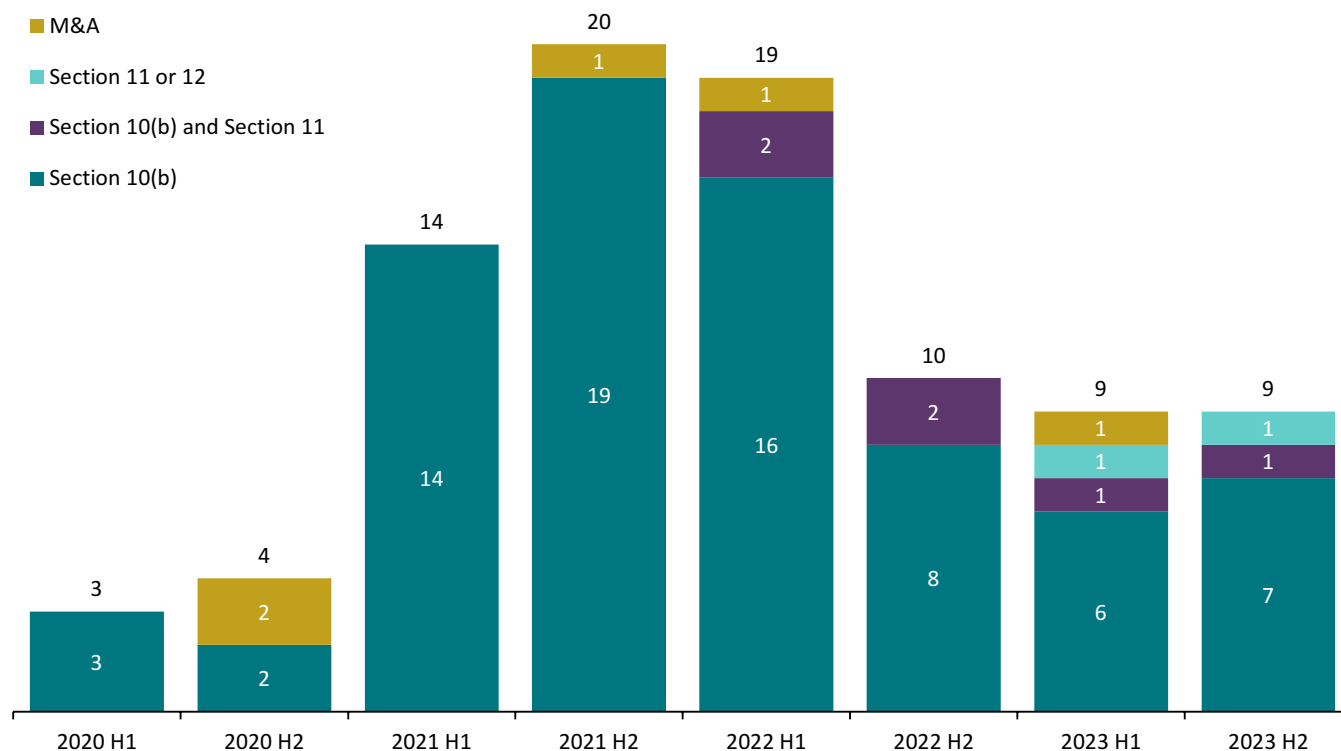
The figure below illustrates how the types of allegations in filings against current and former SPACs have changed over time. Allegations are based on first identified complaints.

*The first Section 11–only SPAC filing and the first Section 12(a)–only SPAC filing occurred in 2023.*

- For the fourth consecutive semiannual period, in 2023 H2 there was at least one filing with both Section 10(b) and Section 11 allegations. There were no such filings in 2020 or 2021.

- After a large decline in 2022 H2, the number of federal SPAC filings has plateaued over the past three semiannual periods.
- Since 2020, The Rosen Law Firm P.A., Pomerantz LLP, and Glancy Prongay & Murray LLP accounted for 72% of first identified core federal SPAC filings, compared to 58% of all first identified core federal filings.
- Three of the 17 core federal SPAC filings (18%) in 2023 alleged that short-seller reports caused stock price drops.

Figure 9: Federal SPAC Filing Allegations  
2020 H1–2023 H2



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; *SPAC Insider*

Note: This figure includes both core and M&A SPAC filings. As a result, total filing counts may not match Figure 4. SPAC filings concern companies that went public for the express purpose of acquiring an existing company in the future. These include current and former SPACs. See Additional Notes to Figures for Counts and Totals Methodology. One filing in 2021 included both Section 10(b) and M&A allegations. This filing is characterized as Section 10(b) rather than M&A.

# Market Capitalization Losses for Federal and State Filings

## Disclosure Dollar Loss Index® (DDL Index®)

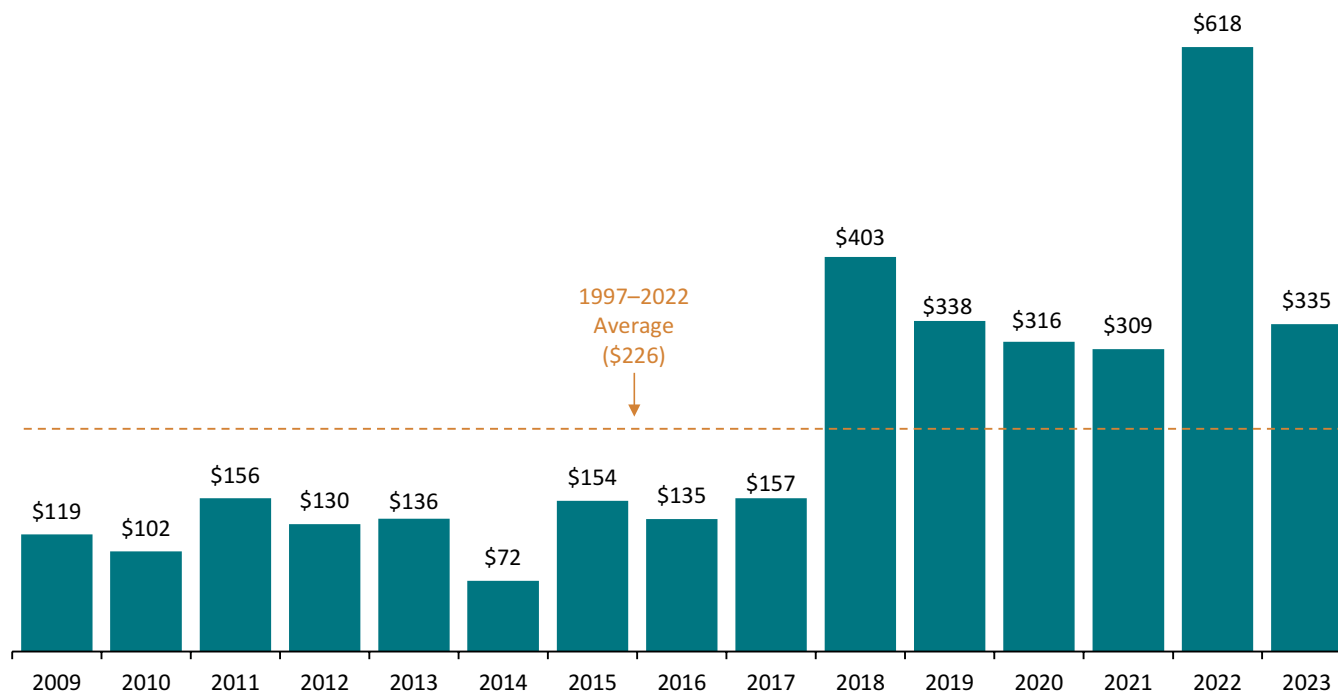
This index measures the aggregate annual DDL for all federal and state filings. DDL is the dollar-value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL is inflation-adjusted to 2023 dollars. See the Glossary for additional discussion on market capitalization losses and DDL.

*The DDL Index fell by almost half from 2022 to 2023, returning to 2019–2021 levels.*

- Overall, the DDL Index has increased substantially since 2017. The average DDL Index from 2009 to 2017 was \$129 billion, compared to \$386 billion from 2018 to 2023.
- In 2023 the DDL Index decreased by 46% relative to that in 2022, despite the median DDL increasing by 28% (see Figure 11). This divergence is driven by a decrease in DDL from mega filings (filings with a DDL of at least \$5 billion) from \$529 billion in 2022 to \$211 billion in 2023 (see Figure 13). See Appendix 1 for DDL totals, averages, and medians from 1997 to 2023.

Figure 10: Disclosure Dollar Loss Index® (DDL Index®) 2009–2023

(Dollars in 2023 billions)



Note: This figure begins including DDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL Index will not match those in Appendices 6–7, which summarize federal filings. DDL associated with parallel class actions is only counted once. There are core filings for which data are not available to estimate DDL accurately; these filings are excluded from DDL analysis. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures for Counts and Totals Methodology.

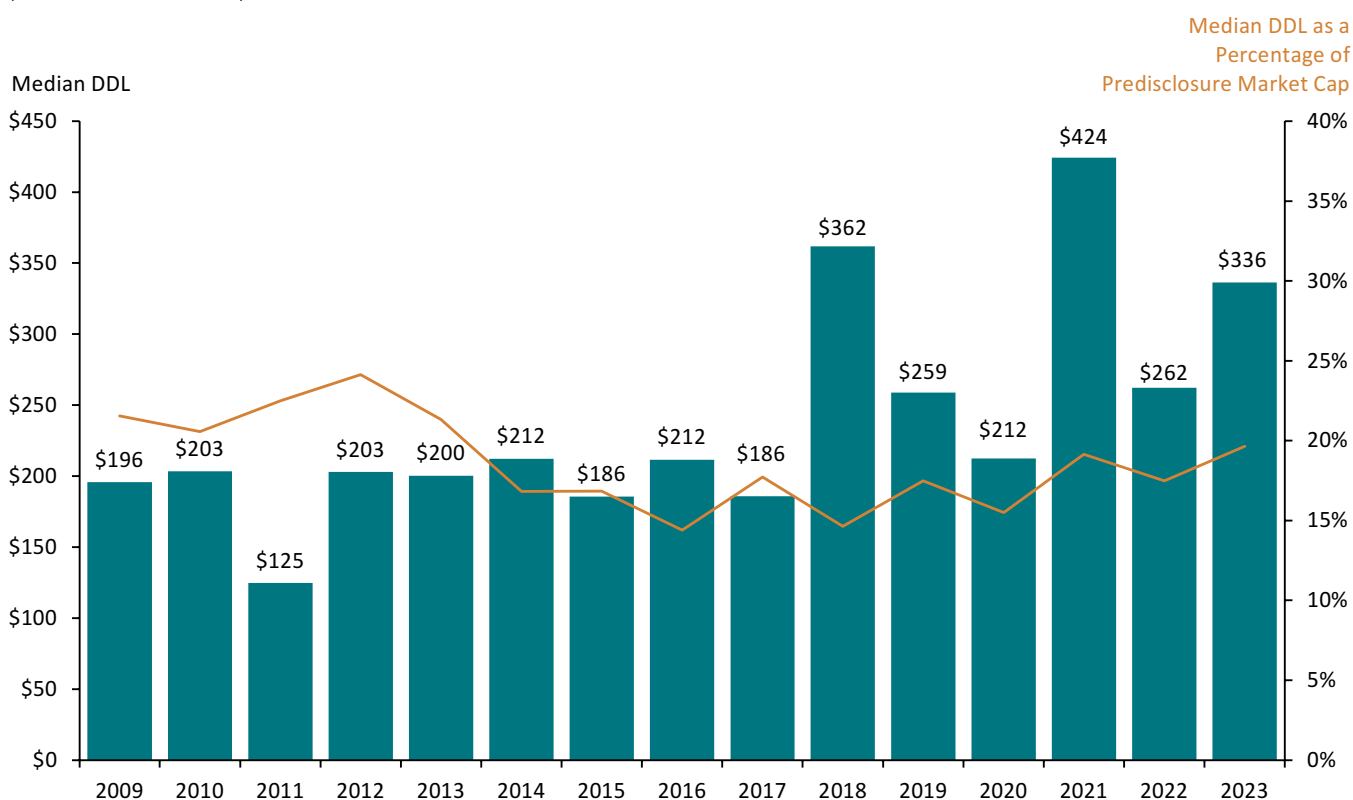


- As shown by the gold line in the figure below, since 2014, the typical (i.e., median) percentage stock price drop at the end of the class period has oscillated between about 15% and 20% of the predisclosure market capitalization. That measure was 20% in 2023, the highest percentage since 2013.
- In 2023, for the largest issuers—those with market capitalization above \$10 billion—median DDL as a percentage of predisclosure market capitalization was below 10%, half the median of all issuers.

*Median DDL in 2023 grew by 28% from its 2022 measure and is the third-highest median DDL in the past 15 years.*

**Figure 11: Median Disclosure Dollar Loss 2009–2023**

(Dollars in 2023 millions)



Note: This figure begins including DDL associated with state 1933 Act filings in 2010. As a result, this figure’s DDL Index will not match those in Appendices 6–7, which summarize federal filings. DDL associated with parallel class actions is only counted once in this figure. There are core filings for which data are not available to estimate DDL accurately; these filings are excluded from DDL analysis. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures for Counts and Totals Methodology.

**Maximum Dollar Loss Index® (MDL Index®)**

This index measures the aggregate annual MDL for all federal and state core filings. MDL is the dollar-value change in the defendant firm’s market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL is inflation-adjusted to 2023 dollars. See the Glossary for additional discussion on market capitalization losses and MDL.

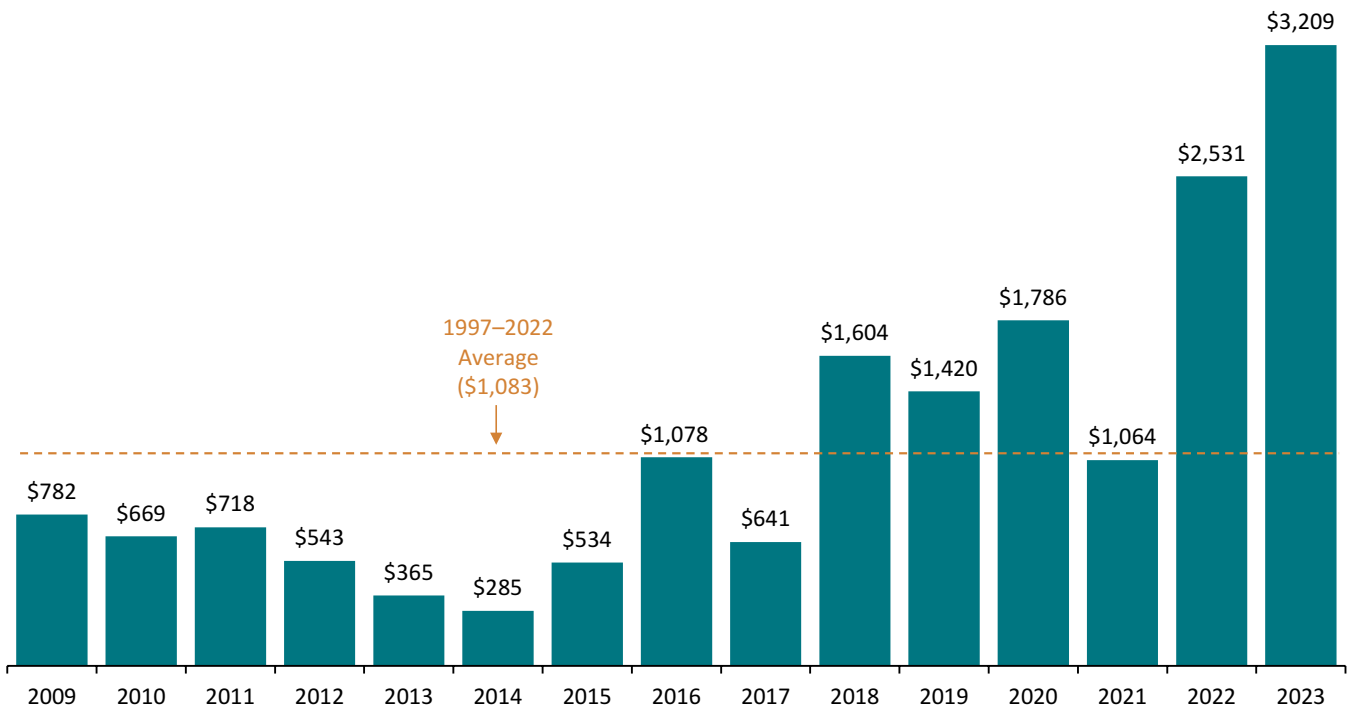
- The MDL Index reached \$3.2 trillion in 2023, the second-highest amount on record, increasing by 27% from 2022. See Appendix 1 for MDL totals, averages, and medians from 1997 to 2023.
- The substantial divergence between MDL and DDL in 2023 is due to the difference in methodology; DDL captures the market capitalization losses at the end of the class period, whereas MDL captures the market capitalization difference between the highest point during the class period and the end of the class period.

- There were 44 mega MDL filings (filings with an MDL of at least \$10 billion) in 2023, more than twice as many as the 1997–2022 annual average. See Figure 13.
- The 44 mega MDL filings accounted for \$2.9 trillion, or 90% of total MDL in 2023. See Figure 13.
- This was the fourth year that the MDL Index surpassed \$2 trillion (after adjusting for inflation) and was the sixth consecutive year the MDL Index exceeded \$1 trillion. See Appendix 1.

*The MDL Index increased to \$3.2 trillion, the second-highest amount on record.*

**Figure 12: Maximum Dollar Loss Index® (MDL Index®) 2009–2023**

(Dollars in 2023 billions)



Note: This figure begins including MDL associated with state 1933 Act filings in 2010. As a result, this figure’s MDL Index will not match those in Appendices 6–7, which summarize federal filings. MDL associated with parallel class actions is only counted once in this figure. There are core filings for which data are not available to estimate MDL accurately; these filings are excluded from MDL analysis. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures for Counts and Totals Methodology.

# Mega Filings

Mega DDL filings have a DDL of at least \$5 billion. Mega MDL filings have an MDL of at least \$10 billion. MDL and DDL are inflation-adjusted to 2023 dollars.

- There were 44 mega MDL filings in 2023 with a total mega MDL of \$2.9 trillion, a 30% increase from \$2.2 trillion in 2022 and 241% above the 1997–2022 annual average.
- In 2023, the number and total index value of mega MDL filings, as well as the percentage of total MDL represented by mega filings, were second only to those from the 2002 tech crash.
- There were 16 mega DDL filings in 2023, decreasing from 18 in 2022. Total mega DDL decreased 60% from \$529 billion to \$211 billion, nearly returning to the 2021 level.
- In 2023, the percentage of total DDL represented by mega filings fell to the 1997–2022 annual average.

- Mega filings against companies in the Communications sector (Telecommunications, Internet, and Media) made up 18% of mega MDL filings and 37% of total MDL in 2023.
- Just over half of the core filings in the Communications sector (19 federal and two state) in 2023 were mega DDL or mega MDL filings (10 federal and one state).
- Filings against Technology companies (Software and Computers) made up 44% of mega DDL filings and 20% of mega MDL filings, but only 24% of total mega DDL and 14% of total mega MDL.

*The count and total index value of mega MDL filings in 2023 were the second highest on record.*

Figure 13: Mega Filings

	Average 1997–2022	2021	2022	2023
<b>Mega Disclosure Dollar Loss (DDL) Filings</b>				
Mega DDL Filings	9	13	18	16
DDL (\$ Billions)	\$143	\$187	\$529	\$211
Percentage of Total DDL	63%	61%	86%	63%
<b>Mega Maximum Dollar Loss (MDL) Filings</b>				
Mega MDL Filings	21	27	38	44
MDL (\$ Billions)	\$848	\$777	\$2,235	\$2,894
Percentage of Total MDL	78%	73%	88%	90%

Note: This figure begins including DDL and MDL associated with state 1933 Act filings in 2010. As a result, this figure's DDL and MDL Index will not match those in Appendices 6–8, which summarize federal filings. DDL associated with parallel class actions is only counted once in this figure. There are filings for which data are not available to estimate DDL and MDL accurately; these filings are excluded from DDL and MDL analysis at counts. Mega DDL filings have a disclosure dollar loss of at least \$5 billion. Mega MDL filings have a maximum dollar loss of at least \$10 billion. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. Sectors are based on the Bloomberg Industry Classification System. See Additional Notes to Figures for Counts and Totals Methodology.

# Classification of Federal Complaints

- The share of core federal filings with Section 11 claims fell from a five-year high of 21% in 2022 to a five-year low of 8% in 2023.
- The share of core federal filings with Section 12(a) claims fell from 14% in 2022 to 10% in 2023.
- Core federal filings with allegations of internal control weaknesses increased from 13% in 2022 to 17% in 2023, returning to pre-2021 levels.
- The share of core federal filings with underwriter defendant allegations fell sharply from 13% in 2022 to 4% in 2023.

*The share of core federal filings with Rule 10b-5 claims rose to the highest level in more than five years.*

- Of core federal filings in 2023, 94% contained a Rule 10b-5 claim (up from 83% in 2022).
- Core federal filings with allegations of trading by company insiders in 2023 remained at the lowest level (2%) in the last five years.

Figure 14: Allegations Box Score—Core Federal Filings

	Percentage of Filings				
	2019	2020	2021	2022	2023
<b>Allegations in Core Federal Filings</b>					
Rule 10b-5 Claims	87%	85%	91%	83%	94%
Section 11 Claims	16%	10%	14%	21%	8%
Section 12(a) Claims	7%	11%	6%	14%	10%
Misrepresentations in Financial Documents	98%	90%	90%	89%	90%
False Forward-Looking Statements	47%	43%	43%	39%	46%
Trading by Company Insiders	5%	4%	6%	2%	2%
Accounting Violations	23%	27%	22%	24%	23%
Announced Restatements	8%	5%	3%	9%	10%
Internal Control Weaknesses	18%	18%	9%	13%	17%
Announced Internal Control Weaknesses	10%	7%	4%	8%	11%
Underwriter Defendant	11%	9%	10%	13%	4%
Auditor Defendant	0%	0%	0%	1%	2%

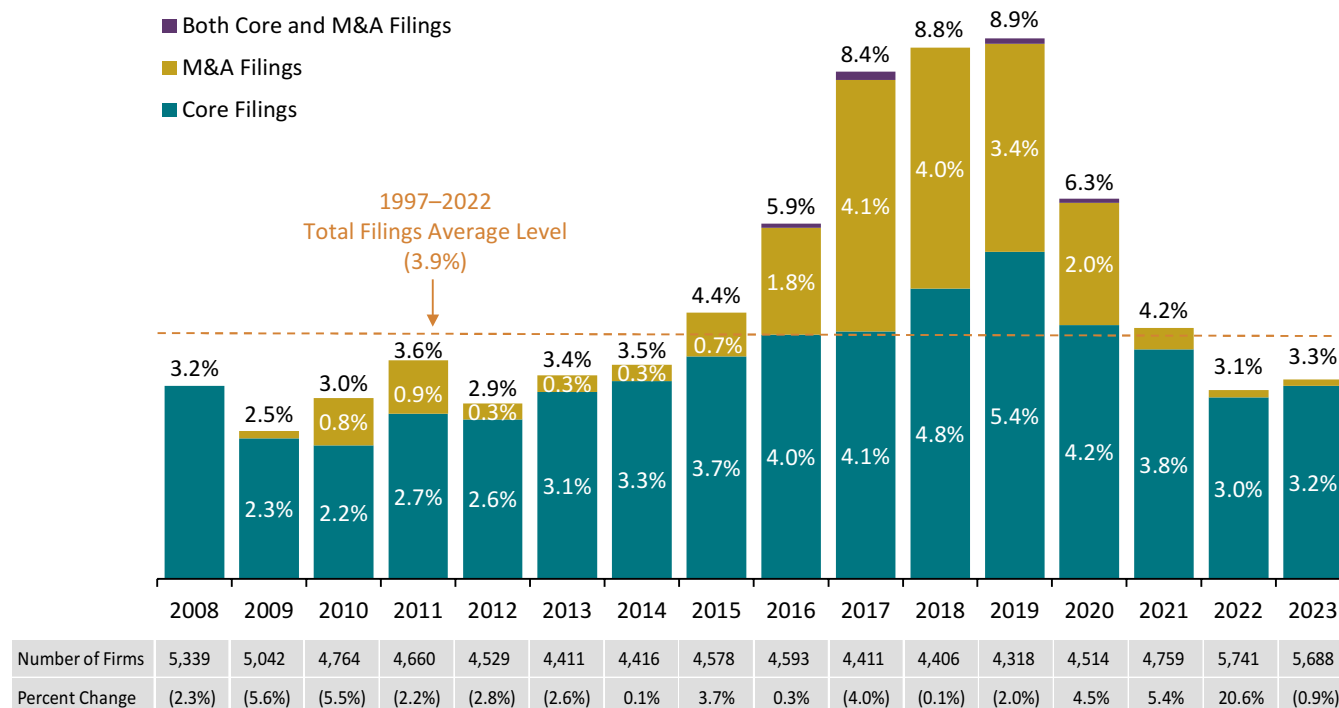
Note: Core federal filings are all federal securities class actions excluding those defined as M&A filings. Allegations reflect those made in the first identified complaint (FIC). The percentages do not sum to 100% because complaints may include multiple allegations. In each of 2019 and 2020, there was one filing with allegations against an auditor defendant. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5. See Additional Notes to Figures for more detailed information.

# U.S. Exchange-Listed Companies

The percentage of companies subject to a filing is calculated as the unique number of companies listed on the NYSE or Nasdaq subject to federal or state securities fraud class actions in a given year divided by the unique number of companies listed on the NYSE or Nasdaq at the start of the same year.

- The percentage of U.S. exchange-listed companies subject to filings increased slightly from 3.1% in 2022 to 3.3% in 2023, the second-lowest percentage since 2012 and below the 1997–2022 annual average of 3.9%. Similarly, the percentage of companies subject to core filings increased slightly from 3.0% in 2022 to 3.2% in 2023.
  - The percentage of U.S. exchange-listed companies subject to M&A filings remained at 0.1%.
- The likelihood of core filings targeting U.S. exchange-listed companies in 2023 increased slightly from 2022 but is still the second lowest in the last 10 years.*
- In 2023, the volume of federal filings against Nasdaq-listed firms increased by 12%, but total DDL for these filings decreased by 69%. Total federal filings and DDL against NYSE-listed firms increased by 12% and 46%, respectively, in 2023. See Appendix 7.
  - Between the beginning of 2022 and the beginning of 2023, the overall number of U.S. exchange-listed companies decreased by 0.9%.

Figure 15: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings 2008–2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Center for Research in Security Prices (CRSP)

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. All federal filings are counted only once. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. The figure begins including issuers facing suits in state 1933 Act filings in 2010. See Additional Notes to Figures for more detailed information and Counts and Totals Methodology.

# Heat Maps: S&P 500 Securities Litigation™ for Federal Core Filings

The Heat Maps analysis illustrates federal court securities class action activity by industry sector for companies in the S&P 500 index. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine each sector by:

- (1) The percentage of these companies subject to new securities class actions in federal court during each calendar year.
  - (2) The percentage of the total market capitalization of these companies subject to new securities class actions in federal court during each calendar year.
- Of the companies in the S&P 500 at the beginning of 2023, approximately one in 14 (7.1%) was subject to a core federal filing, which is above the 2001–2022 annual average. See Appendix 2A for the percentage of filings by sector from 2001 to 2023.

*The likelihood of an S&P 500 company being the subject of a core federal filing nearly doubled year-over-year to 7.1%.*

- In 2023, the likelihood of a core federal filing against a company in the Communication Services/Telecommunications/Information Technology sector increased to 11.6%, the highest likelihood since 2018.
- The percentage of Health Care companies subject to a core federal filing increased to 10.9%.
- The percentage of Consumer Staples companies subject to a core federal filing increased to 10.5% in 2023, over twice the 2001–2022 annual average.
- The likelihood of a core federal filing against all sectors excluding the Utilities sector increased in 2023.

Figure 16: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to Core Federal Filings

	Average 2001–2022	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Consumer Discretionary	5.0%	8.4%	1.2%	0.0%	3.6%	8.5%	10.0%	3.1%	8.1%	0.0%	3.3%	3.8%
Consumer Staples	3.7%	0.0%	0.0%	5.0%	2.6%	2.7%	11.8%	12.1%	3.1%	6.3%	0.0%	10.5%
Energy/Materials	1.7%	0.0%	1.3%	0.0%	4.5%	3.3%	1.8%	3.7%	1.9%	5.7%	0.0%	1.9%
Financials/Real Estate	6.8%	0.0%	1.2%	1.2%	6.9%	3.3%	7.0%	2.0%	5.3%	0.0%	2.1%	4.8%
Health Care	8.4%	5.7%	0.0%	1.9%	17.9%	8.3%	16.1%	12.9%	6.3%	0.0%	7.8%	10.9%
Industrials	3.9%	0.0%	4.7%	0.0%	6.1%	8.7%	8.8%	10.1%	2.7%	1.4%	4.2%	7.7%
Communication Services/ Telecommunications/ Information Technology	6.2%	9.1%	0.0%	4.2%	6.8%	8.5%	12.7%	10.0%	2.0%	5.1%	6.0%	11.6%
Utilities	5.0%	0.0%	0.0%	3.4%	3.4%	7.1%	7.1%	6.9%	7.1%	0.0%	3.6%	3.3%
<b>All S&amp;P 500 Companies</b>	<b>5.3%</b>	<b>3.4%</b>	<b>1.2%</b>	<b>1.6%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>9.4%</b>	<b>7.2%</b>	<b>4.4%</b>	<b>2.2%</b>	<b>3.8%</b>	<b>7.1%</b>

0%
0–5%
5–15%
15–25%
25%+

Note:

1. The figure is based on the composition of the S&P 500 as of the last trading day of the previous year. Sectors are based on the Global Industry Classification Standard (GICS), which differ from those in the Bloomberg Industry Classification System used in Figure 13 and Figure 25.
2. Percentage of Companies Subject to Core Federal Filings equals the number of companies subject to new securities class action filings in federal courts in each sector divided by the total number of companies in that sector.
3. In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such as Alphabet and Meta) were reclassified into the Communication Services sector.
4. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

- The percentage of total market capitalization of S&P 500 companies subject to core federal filings rose from 8.4% in 2022 to 10.1% in 2023. See Appendix 2B for market capitalization percentage by sector from 2001 to 2023.
- The percentage of market capitalization exposure for the Communication Services/Telecommunication/Information Technology sector increased sharply, from 4.0% in 2022 to 17.3% in 2023, a more than fourfold increase.
- The percentage of market capitalization exposure for the Utilities sector rose from 7.2% in 2022 to 16.0% in 2023, a more than twofold increase and well above the 2001–2022 annual average.
- The percentage of market capitalization exposure in the Health Care sector fell from 12.3% in 2022 to 8.1% in 2023.
- The percentage of market capitalization exposure in the Consumer Discretionary sector dropped to 13.1% in 2023 from an over 20-year high of 30.3% in 2022, but remained above the 2001–2022 annual average.
- The percentage of market capitalization exposure in the Financials/Real Estate sector in 2023 was well below the 2001–2022 annual average, despite the banking turmoil in the early part of 2023.

At 17.3%, the Communication Services/Telecommunications/Information Technology sector had the highest percentage of market capitalization exposure.

Figure 17: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to Core Federal Filings

	Average 2001–2022	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Consumer Discretionary	7.2%	4.4%	2.5%	0.0%	2.8%	8.2%	4.7%	0.5%	2.2%	0.0%	30.3%	13.1%
Consumer Staples	4.8%	0.0%	0.0%	1.9%	1.0%	6.7%	15.2%	9.1%	1.8%	17.7%	0.0%	7.4%
Energy/Materials	2.9%	0.0%	0.2%	0.0%	19.8%	2.3%	1.4%	1.2%	0.4%	12.0%	0.0%	0.6%
Financials/Real Estate	12.5%	0.0%	0.3%	3.0%	11.9%	1.5%	12.5%	2.2%	16.9%	0.0%	4.7%	2.0%
Health Care	10.6%	4.4%	0.0%	3.1%	13.2%	2.7%	26.3%	6.6%	4.7%	0.0%	12.3%	8.1%
Industrials	8.0%	0.0%	1.7%	0.0%	8.7%	22.3%	19.4%	21.6%	4.9%	0.5%	6.1%	8.3%
Communication Services/ Telecommunications/ Information Technology	7.9%	16.6%	0.0%	7.0%	12.3%	4.4%	19.4%	18.0%	1.6%	8.2%	4.0%	17.3%
Utilities	5.8%	0.0%	0.0%	3.7%	4.4%	9.6%	6.5%	7.9%	6.6%	0.0%	7.2%	16.0%
All S&P 500 Companies	8.1%	4.7%	0.6%	2.8%	10.0%	6.1%	14.9%	10.0%	4.3%	5.1%	8.4%	10.1%

0% 0–5% 5–15% 15–25% 25%+

Note:

- The figure is based on the composition of the S&P 500 as of the last trading day of the previous year. Sectors are based on the Global Industry Classification Standard (GICS), which differ from those in the Bloomberg Industry Classification System used in Figure 13 and Figure 25.
- Percentage of Market Capitalization Subject to Core Federal Filings equals the market capitalization of companies subject to new securities class action filings in federal courts in each sector divided by the total market capitalization of companies in that sector.
- In August 2016, GICS added a new industry sector, Real Estate. This analysis begins using the Real Estate industry sector in 2017. In 2018, the Telecommunication Services sector was incorporated into a new sector, Communication Services. With this name change, all companies previously classified as Telecommunication Services and some companies classified as Consumer Discretionary (such as Netflix, Comcast, and CBS) and Information Technology (such as Alphabet and Meta) were reclassified into the Communication Services sector.
- This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

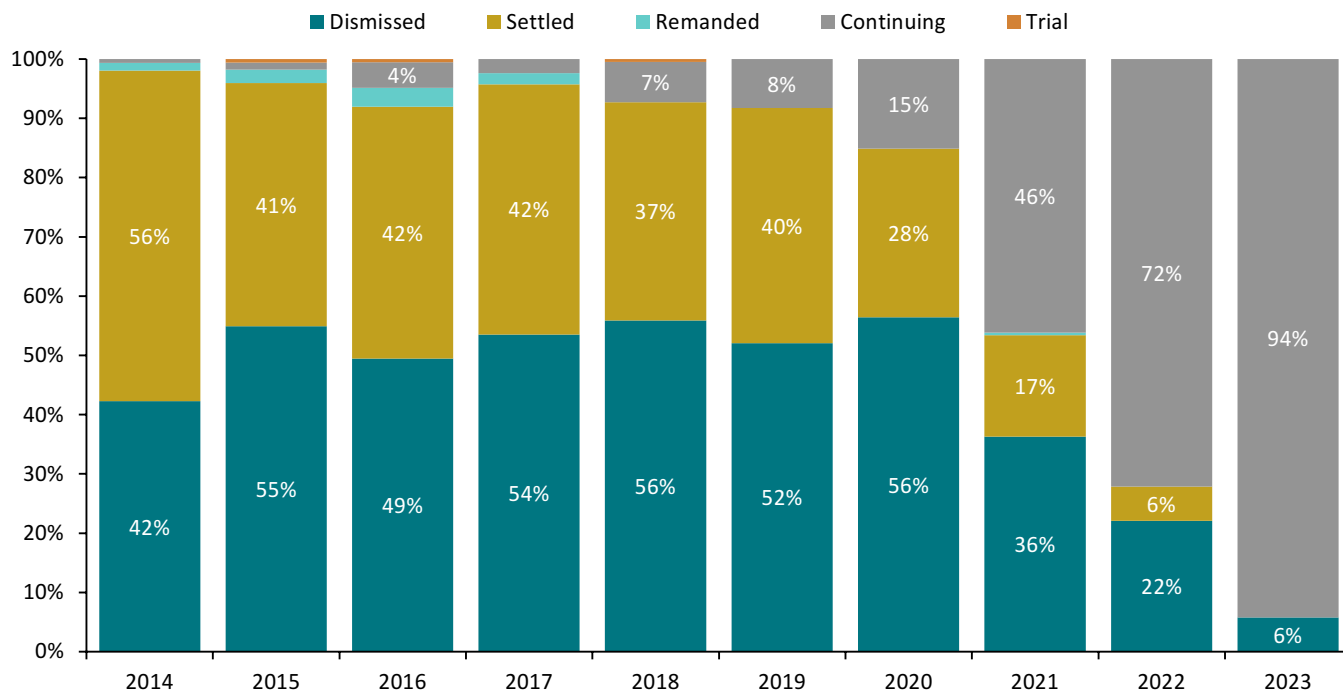
# Status of Core Federal Securities Class Action Filings

This analysis compares filing groups to determine whether filing outcomes have changed over time. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or by trial. In the first few years after filing, a larger proportion of core federal lawsuits are dismissed rather than settled, but in later years, more are resolved through settlement than dismissal.

*In 2023, one securities class action lawsuit filed in 2018 went to trial.*

- From 1997 to 2023, 46% of core federal filings were settled, 43% were dismissed, 0.5% were remanded, and 10% are continuing. During this time, only 0.4% of core federal filings (or 21 lawsuits) reached trial.
- More recent cohorts have too many ongoing filings to determine their ultimate resolution rates. For example, of filings that are ongoing, 83% were filed between 2021 and 2023, while 17% were filed before 2021.
- As shown in Appendix 3, contrary to trends in core federal filings, M&A filings from 2013 to 2022 were largely resolved through dismissal, with 93% of filings dismissed and 6% settled.

Figure 18: Status of Filings by Year—Core Federal Filings 2014–2023



Note: Percentages may not sum to 100% due to rounding. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from Figures 1–3, 10–13, 15, and 22, and Appendices 1 and 5, which account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis.



# 1933 Act Filings in State Courts

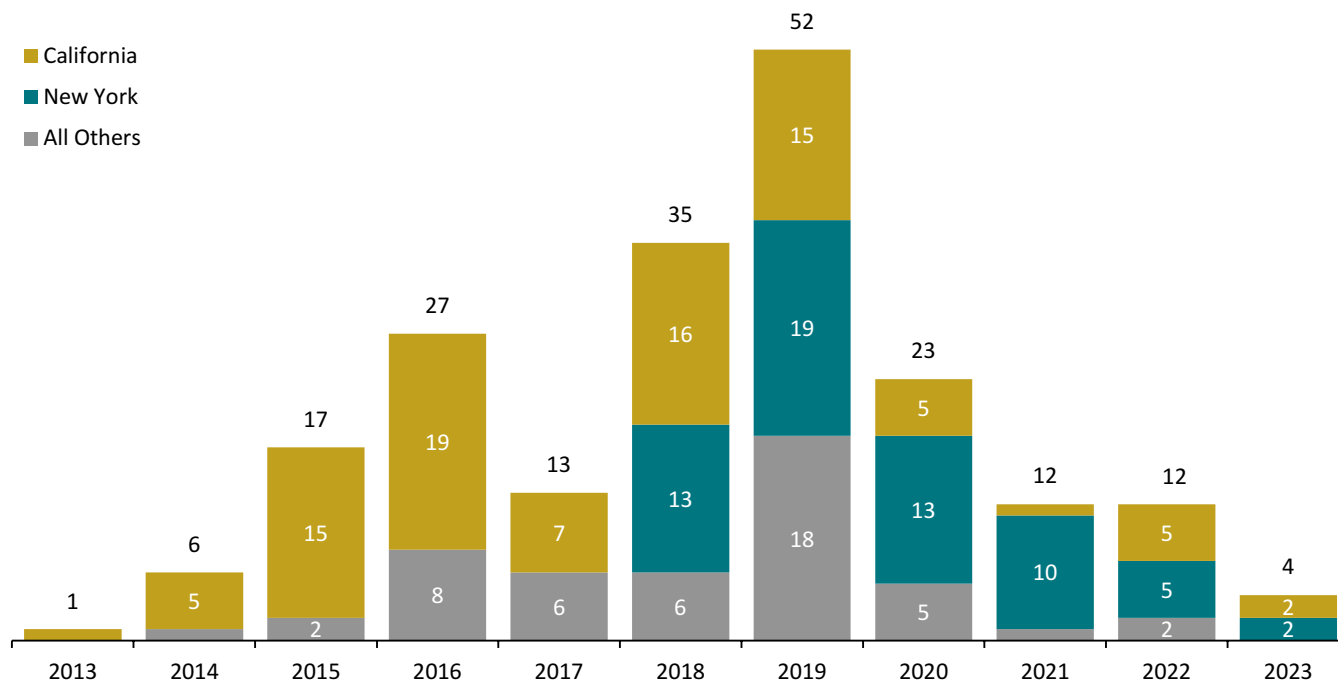
The following data include 1933 Act filings in California, New York, and other state courts. Filings from prior years are added retrospectively when identified. These filings may include Section 11, Section 12, and Section 15 claims, but do not include Section 10(b) claims.

- There were four state 1933 Act filings in 2023, down 67% from 2022. Of these filings, two were in California, and two were in New York. There were no 1933 Act filings in other state courts.

*State 1933 Act filing activity plummeted in 2023, falling to the lowest level since 2013.*

- In line with the *Sciabacucchi* decision in 2020, which enforced forum selection clauses that require 1933 Act claims to be brought in federal courts, the number of 1933 Act filings in state courts in 2023 was much lower than the number of 1933 Act filings in state courts prior to 2020.
- The period between the *Cyan* and *Sciabacucchi* decisions (March 2018–March 2019) changed the availability of state courts as a forum for 1933 Act claims. In *Cyan*, the U.S. Supreme Court confirmed that state and federal courts have concurrent jurisdiction over 1933 Act claims. In *Sciabacucchi*, the Delaware Supreme Court upheld forum-selection provisions in corporate charters mandating that 1933 Act claims only be brought in federal court. Since then, many state courts have followed *Sciabacucchi*.

Figure 19: State 1933 Act Filings by State 2013–2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS’ SCAS

Note: This analysis counts all filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for lawsuits that have parallel filings in both state and federal courts. As a result, totals in this analysis may not match Figures 3, 22, or 23. See Additional Notes to Figures for more detailed information and for Counts and Totals Methodology.

# Dollar Loss on Offered Shares™ (DLOS Index™) in Federal Section 11–Only and State 1933 Act Filings

This analysis calculates the loss of market value of class members’ shares offered in securities issuances that are subject to 1933 Act claims. It is calculated as the shares offered at issuance (e.g., in an IPO, a seasoned equity offering (SEO), or a corporate merger or spinoff) acquired by class members multiplied by the difference between the offering price of the shares and their price on the filing date of the first identified complaint.

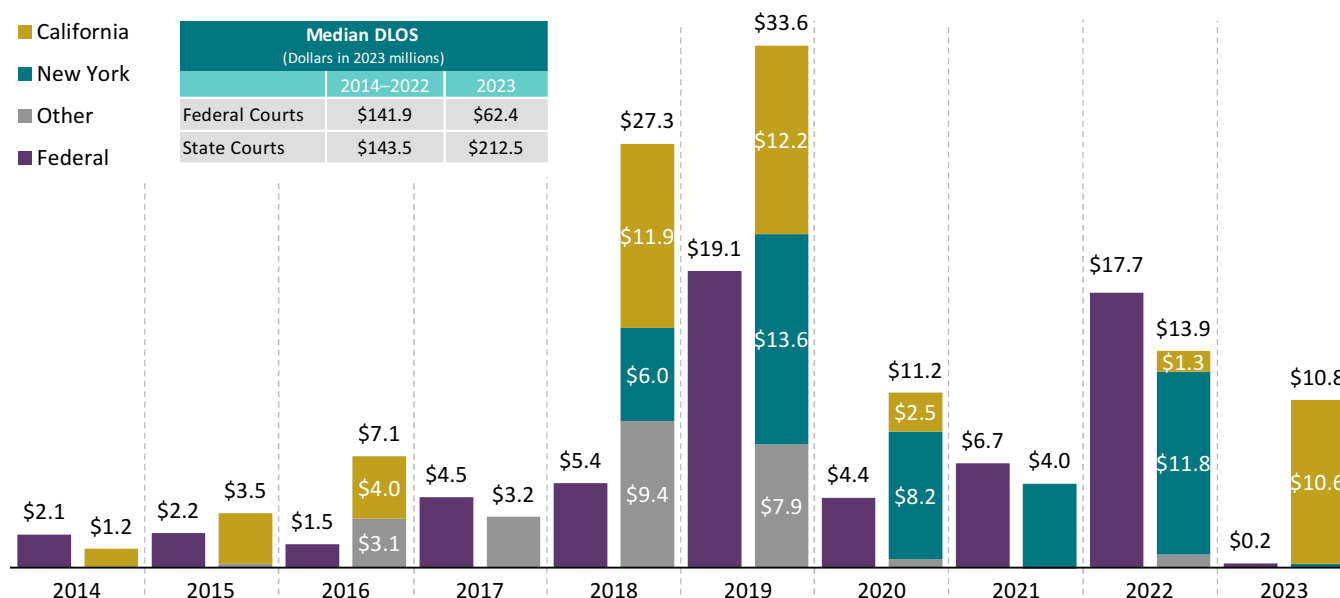
This alternative measure of losses has been calculated for federal filings involving only Section 11 claims (i.e., no Section 10(b) claims) and 1933 Act filings in state courts. This measure, Dollar Loss on Offered Shares (DLOS), aims to capture, more precisely than MDL, the dollar loss associated with the specific shares at issue as alleged in a complaint.

- From 2022 to 2023, total DLOS decreased sharply for federal Section 11 filings, alongside a steep decrease in the number of federal Section 11 filings.
- The 2023 federal median DLOS was less than half of the 2014–2022 median, while the 2023 state median DLOS was 48% greater than the 2014–2022 median.

*In 2023, DLOS from federal Section 11 filings fell to \$0.2 billion from \$17.7 billion in 2022.*

Figure 20: Dollar Loss on Offered Shares™ (DLOS Index™) for Federal Section 11–Only and State 1933 Act Filings 2014–2023

(Dollars in 2023 billions)



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS’ SCAS; CRSP; SEC EDGAR

Note: This figure does not identify or account for parallel filings. Counts and totals in each period are based on the date of each filing, rather than the earliest of the parallel state and federal filing dates. As a result, this figure differs in counts and totals from other figures that rely on parallel filing identification. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. See Additional Notes to Figures for more detailed information and for Counts and Totals Methodology.

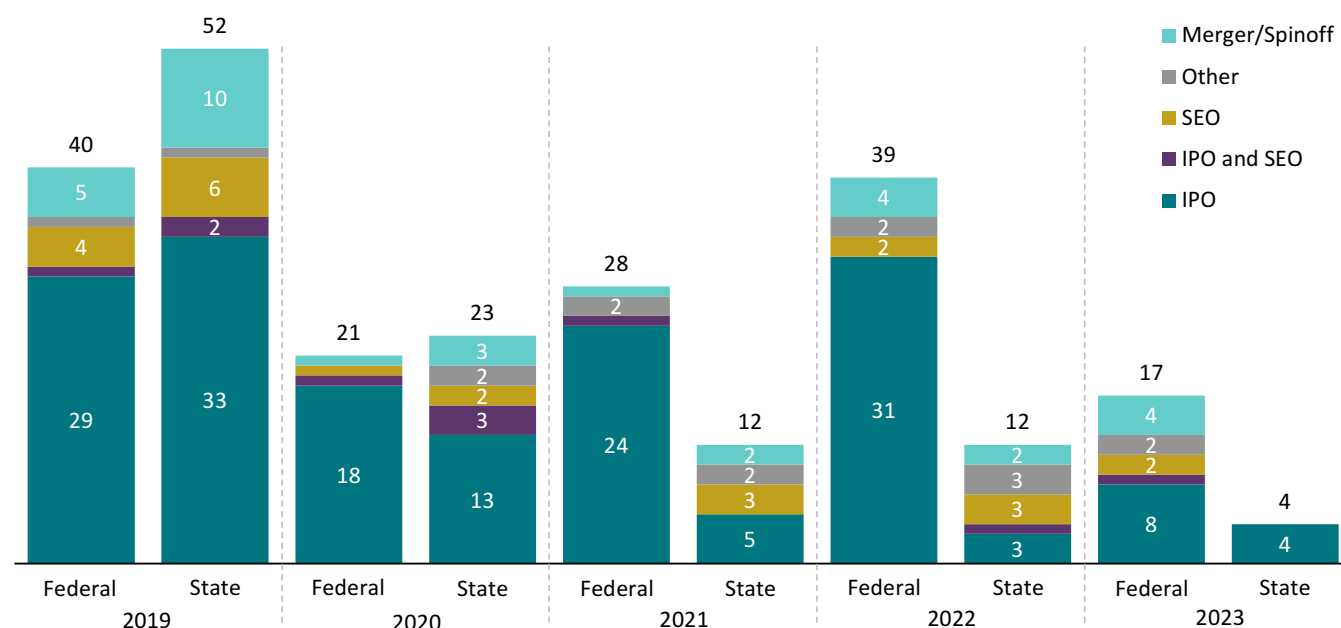
# Type of Security Issuance Underlying Federal Section 11 and State 1933 Act Filings

The figure below illustrates Section 11 claims in federal courts and 1933 Act claims in state courts based on the type of security issuance underlying the lawsuit.

*In 2023, state court filings dropped from 12 to four and were only related to IPOs.*

- Following an increase in 2022, the number of federal Section 11 filings in 2023 dropped to the lowest total since 2013.
- In 2023, IPOs accounted for 47% of Section 11 filings in federal courts.
- In 2021 and 2022, 1933 Act filings in state courts were relatively evenly distributed across all issuance types. In 2023, all state court filings were related to IPOs.
- Federal Section 11 filings related to mergers or spinoffs and SEOs stayed at the same levels as in 2022, while filings related to IPOs in federal courts decreased to eight in 2023, down 74% relative to the number in 2022.

Figure 21: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance 2019–2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Bloomberg Law; ISS' SCAS

Note: This figure does not identify or account for parallel filings. Counts and totals in each period are based on the date of each filing, rather than the earliest of the parallel state and federal filing dates. As a result, this figure differs in counts and totals from other figures that rely on parallel filing identification. See Additional Notes to Figures for more detailed information and for Counts and Totals Methodology.

# IPO Activity and Federal Section 11 and State 1933 Act Filings

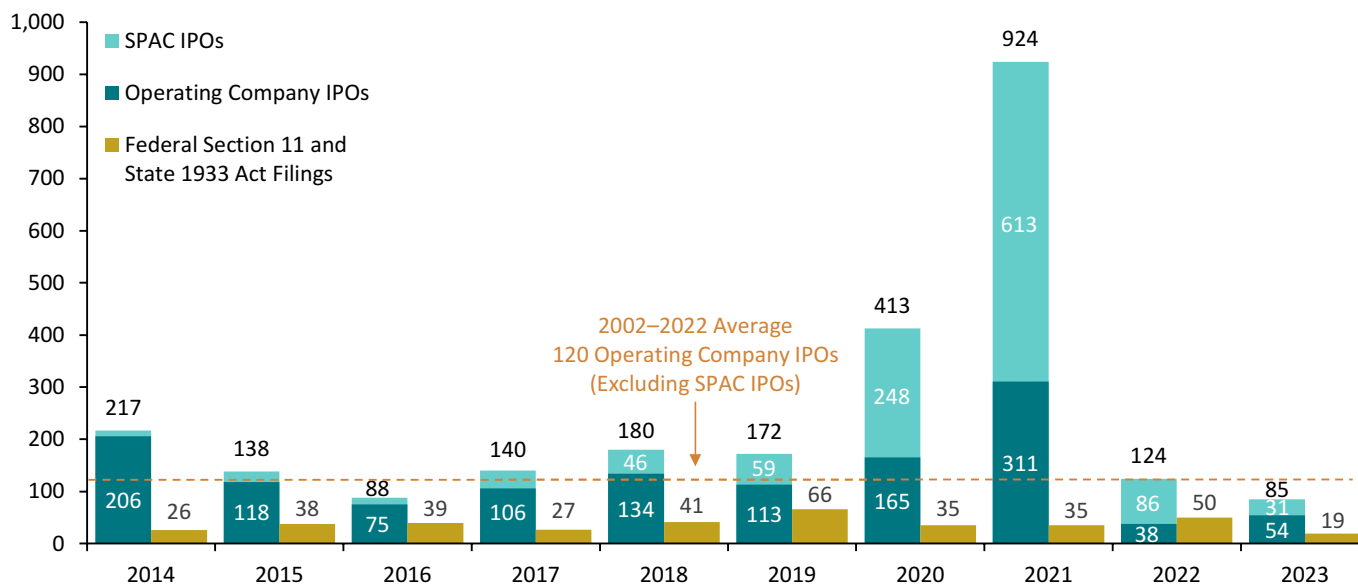
This figure compares IPO activity (operating company IPOs and SPAC IPOs) with counts of federal Section 11 and state 1933 Act filings.

- Although historically SPACs have represented only a small portion of IPOs, SPACs took on an increasingly large share of IPO activity from 2020 to 2022. In 2022, however, the number of SPAC IPOs declined sharply, dropping 86% relative to that in 2021.

*Both the total number of IPOs and filings with federal Section 11 and state 1933 Act claims fell in 2023, declining to their lowest points in the past 14 and 10 years, respectively.*

- The number of SPAC IPOs continued to decline in 2023, dropping 64% compared to 2022.
- Operating company IPOs increased 42% in 2023, after a sharp drop in 2022. The 54 operating company IPOs in 2023 are less than half of the average annual number of operating company IPOs from 2002 to 2022.
- In 2023, there were more operating company IPOs than SPAC IPOs for the first time since 2019.
- Generally, heavier IPO activity appears to be correlated with increased levels of federal Section 11 and state 1933 Act filings in the ensuing year. This general trend continued in 2023 as federal Section 11 and state 1933 Act filings decreased following a drop in IPO activity from 2021 to 2022.

Figure 22: Number of IPOs on Major U.S. Exchanges and Number of Filings of Federal Section 11 and State 1933 Act Claims 2014–2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse; Jay R. Ritter, “Initial Public Offerings: Updated Statistics,” University of Florida, January 19, 2024

Note: Operating company IPOs exclude the following offerings: those with an offer price of below \$5.00, ADRs, unit offers, closed-end funds, REITs, natural resource limited partnerships, small best-efforts offers, banks and S&Ls, and stocks not included in the CRSP database (CRSP includes Amex, NYSE, and Nasdaq stocks). SPAC IPOs include unit and non-unit SPAC IPOs, as defined by Professor Ritter. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. The federal Section 11 lawsuits displayed may include Rule 10b-5 claims, but state 1933 Act filings do not.

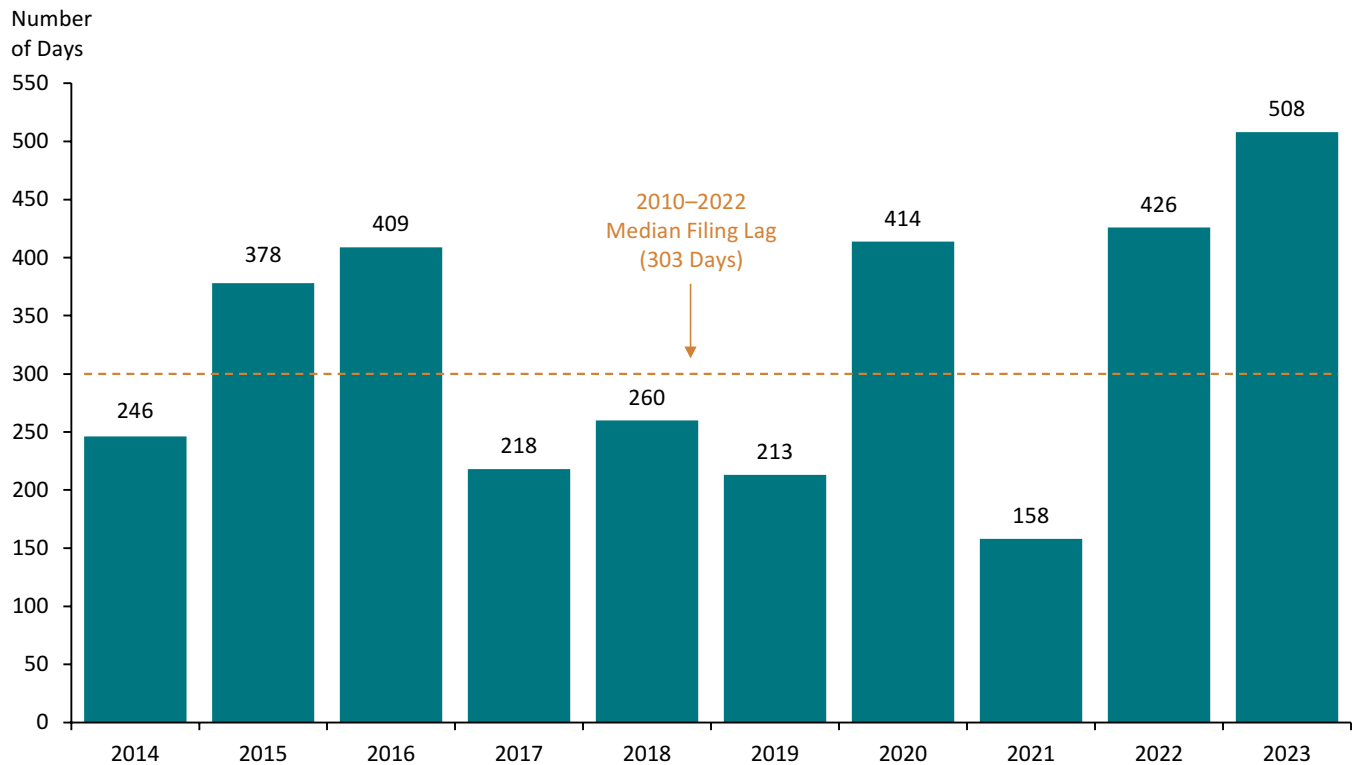
# Lag between IPO and Federal Section 11 and State 1933 Act Filings

This analysis reviews the number of days between the IPO of a company and the filing date of a federal Section 11 or state 1933 Act securities class action.

- The IPO filing lag has varied substantially since 2010, but is fairly centered around the 2010–2022 median filing lag of 303 days.
- The IPO filing lag rose to 508 days in 2023 from 426 days in 2022, a 19% increase. The IPO filing lag has increased since 2021.
- The 2023 IPO filing lag was at its highest level since at least 2010.

*Between 2010 and 2022, the median filing lag for an IPO subject to a federal Section 11 or state 1933 Act claim was roughly 10 months.*

Figure 23: Lag between IPO and Federal Section 11 and State 1933 Act Filings 2014–2023



Note: These data only consider IPOs with a subsequent federal Section 11 or state 1933 Act class action complaint. Only complaints that exclusively referred to an IPO were considered. Federal filings that also include Rule 10b-5 allegations are not considered. Years in the figure refer to the year in which the complaint was filed. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings.

# Non-U.S. Core Federal Filings

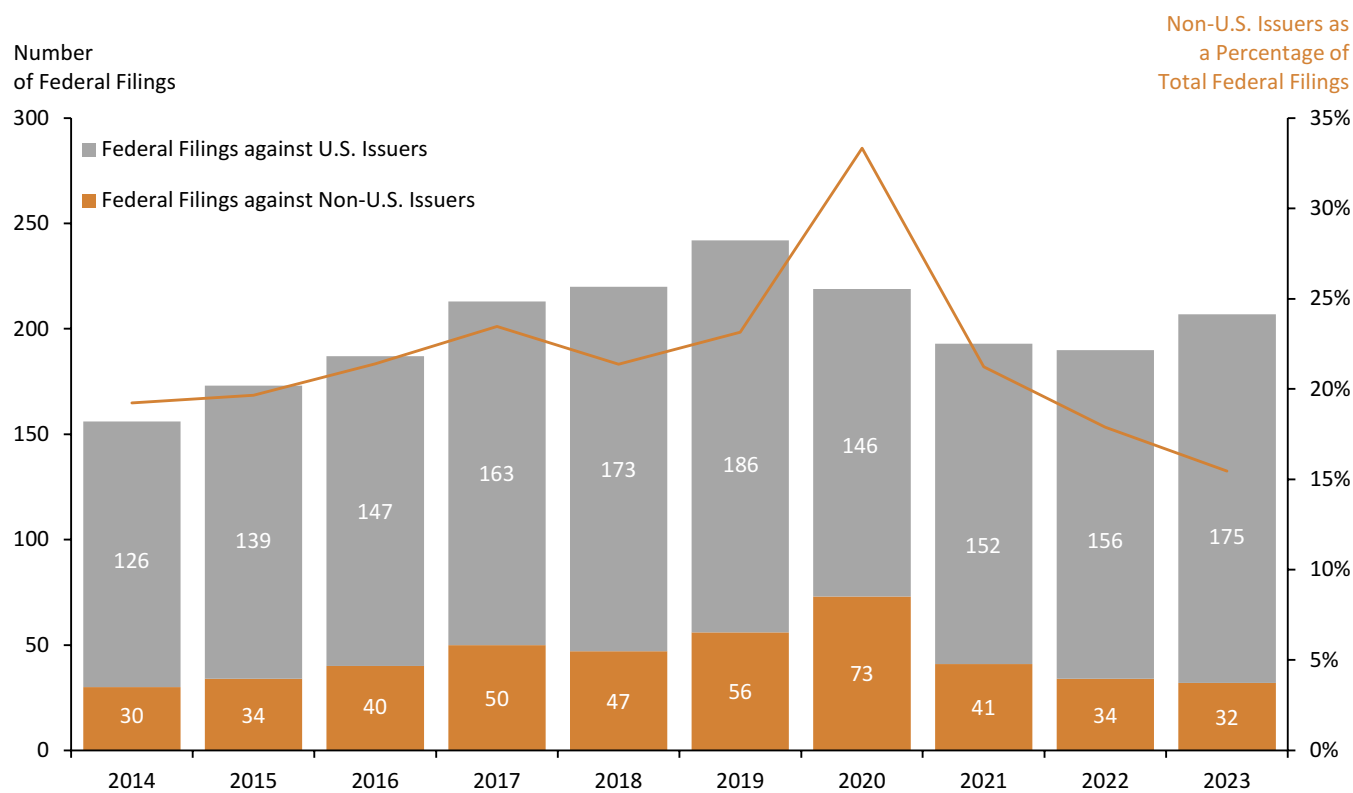
This index tracks the number of core federal filings against foreign issuers (i.e., companies headquartered outside the United States) relative to total core federal filings.

- The number of federal filings against non-U.S. issuers continued to decline since the recent high in 2020, falling to 32, well below the 2014–2022 annual average of 45.
- The number of federal filings against U.S. issuers increased from 156 in 2022 to 175 in 2023, above the 2014–2022 annual average of 154.

- As a percentage of total core federal filings, the number of core federal filings against non-U.S. issuers continued to decline to 15% from a recent high of 33% in 2020, below the 2014–2022 annual average of 22%.

*The number of core federal filings against non-U.S. issuers as a percentage of total core federal filings continued to decline from the recent high in 2020.*

Figure 24: Annual Number of Class Action Filings by Location of Headquarters—Core Federal Filings 2014–2023



Note: This analysis only considers federal filings. It does not present M&A lawsuits or combined federal and state data, and filings are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure’s filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5. See Additional Notes to Figures for Counts and Totals Methodology.

# Industry Comparison of Core Filings

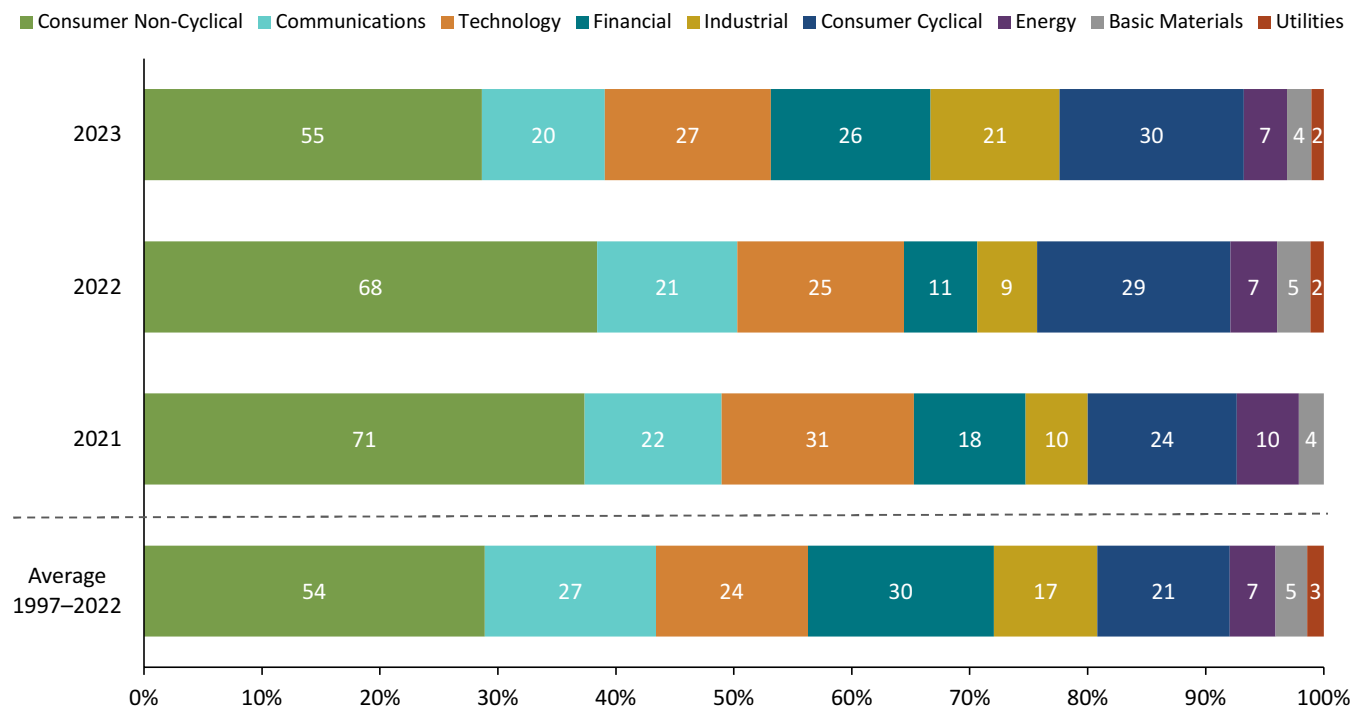
This analysis of core federal and state filings encompasses both smaller companies and large capitalization companies, such as those included in the S&P 500.

- The number of filings in the Financial sector more than doubled relative to that in 2022, accounting for 12% of filings in 2023, driven in part by the turbulence in the banking industry in early 2023.
- In 2023, filings in the Technology sector accounted for 28% of total DDL, and this sector’s DDL was more than twice the 1997–2022 annual average DDL. See Appendix 5.
- The Consumer Non-Cyclical sector remained the sector with the most filings (55 filings), just above the 1997–2022 annual average of 54 filings.

- The number of Industrial sector filings in 2023 (21 filings) more than doubled relative to that in 2022, above the annual average of 17 filings from 1997 to 2022.
- MDL from Communications sector filings in 2023 comprised 37% of total MDL, while filings in the Communications sector only accounted for 10% of core federal and state filings in 2023. See Appendix 5.

*Total DDL in the Communications sector decreased eightfold from the record high in 2022.*

Figure 25: Filings by Industry—Core Filings



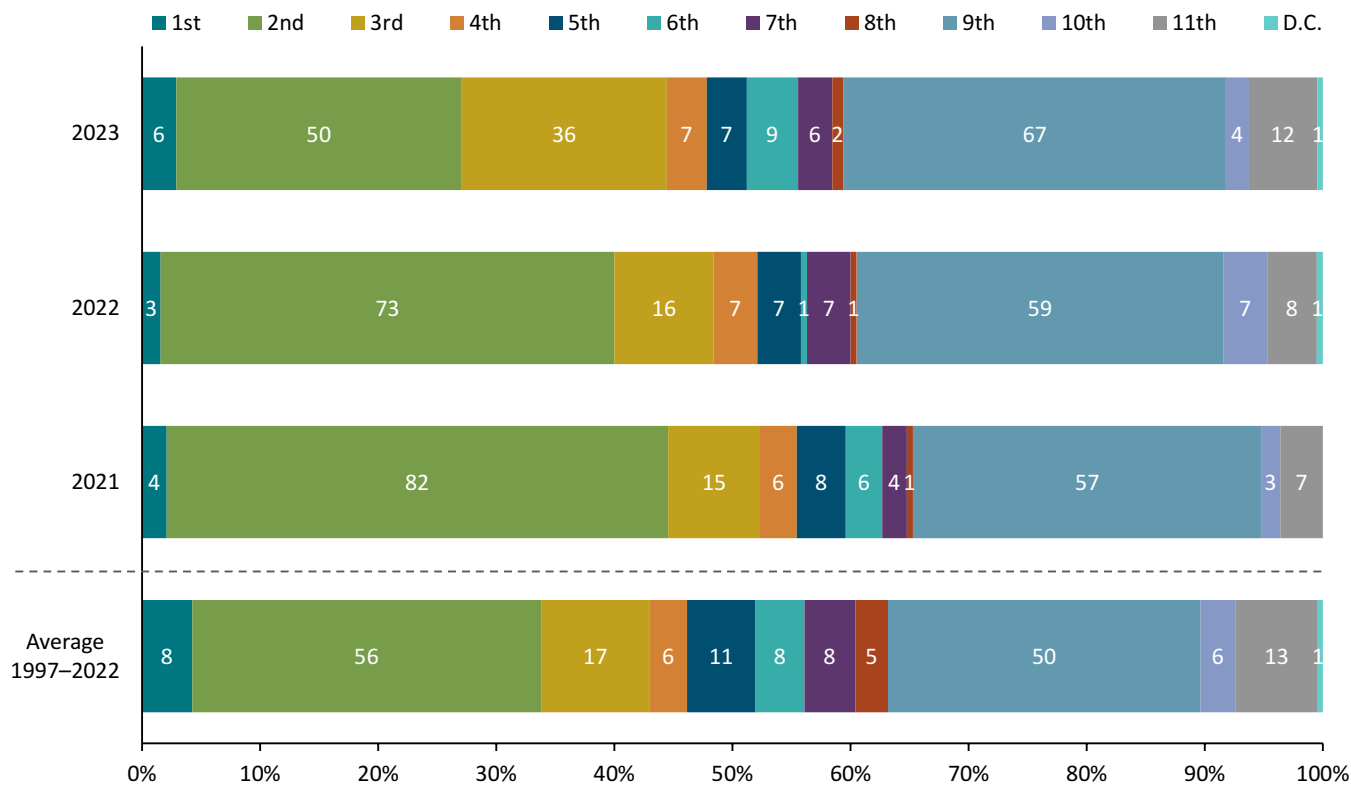
Note: Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this chart may not match other total counts listed in this report. This figure presents combined core and federal state data. It does not present M&A lawsuits. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. As a result, this figure’s filing counts may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. Sectors are based on the Bloomberg Industry Classification System. See Additional Notes to Figures for Counts and Totals Methodology.

# Core Federal Filings by Circuit

- Core federal filings in the Second Circuit declined for the second consecutive year, falling to 50 in 2023, below the 1997–2022 annual average of 56.
- Core federal filings in the Sixth Circuit increased to nine in 2023, above the 1997–2022 annual average of eight and up from only one in 2022.
- Core federal filings in the Third Circuit more than doubled in 2023, reaching 36 filings, the most on record.
- In 2023, total MDL in the Ninth Circuit rose to \$1.8 trillion, more than five times the 1997–2022 annual average and 68% greater than the 1997–2022 annual average for all circuits. However, total DDL in the Ninth Circuit dropped by 74% to \$111 billion in 2023, but remained well above the 1997–2022 annual average. See Appendix 6.

*While the Ninth Circuit comprised 32% of all core federal filings in 2023, it accounted for 56% of total federal MDL.*

Figure 26: Filings by Circuit—Core Federal Filings



Note: This analysis only considers federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure’s filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5. Similarly, MDL and DDL figures discussed on this page will not match Figures 1–3, 10–13, and 25, or Appendices 1 and 5. See Additional Notes to Figures for Counts and Totals Methodology.



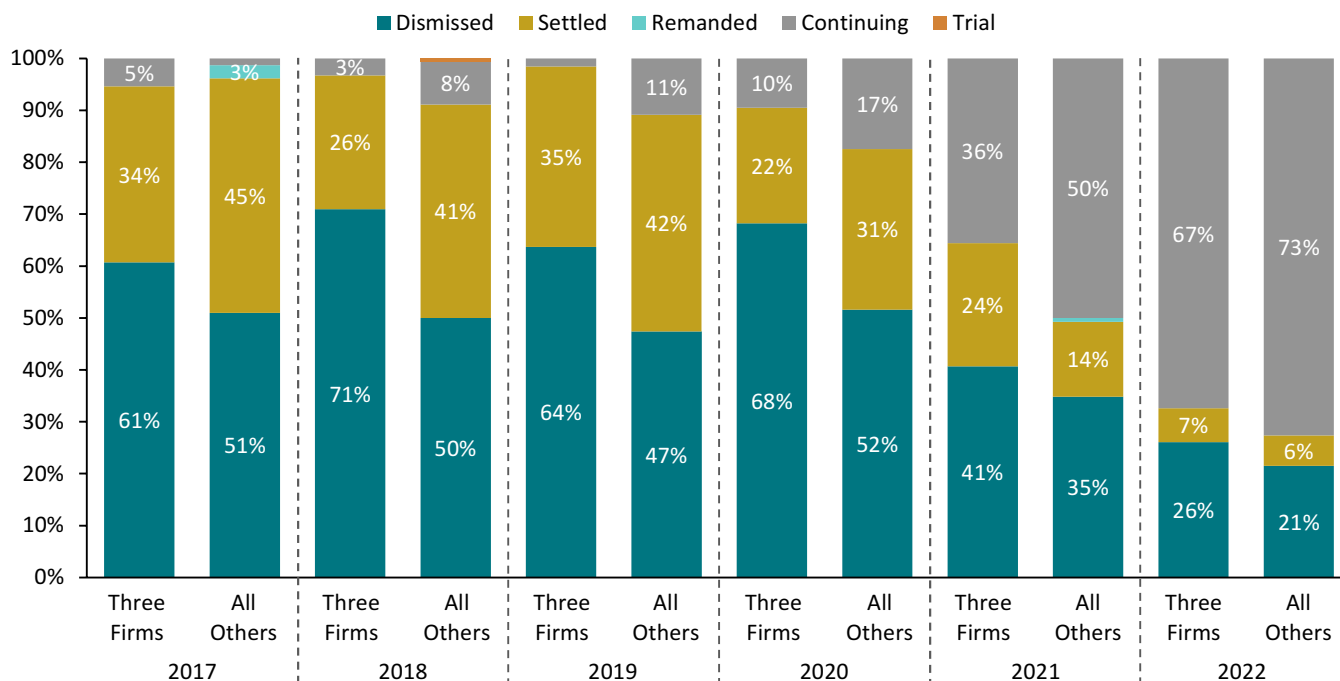
# Status of Core Federal Filings by Plaintiff Counsel

Three law firms—The Rosen Law Firm P.A., Pomerantz LLP, and Glancy Prongay & Murray LLP—have been responsible for 59% of first identified core securities class action complaints in federal courts from 2017 to 2022. The figure below examines litigation outcomes for core federal filings for which these three firms were listed as counsel of record. These outcomes are compared with filings for which other plaintiff law firms are the counsel of record.

- From 2017 through 2022, these three firms have had 57% of their core federal operative complaint class actions dismissed, compared to 44% for all other plaintiff firms. A larger set of filings and more careful consideration of other factors such as circuit, court, industry, type of allegation, and other factors would be necessary to determine if differences between these two groups are statistically significant.
- Prior analysis of these three firms by Michael Klausner, Professor of Law at Stanford Law School, and Jason Hegland, Executive Director of Stanford Securities Litigation Analytics, indicated these firms had higher dismissal rates between 2006 and 2015 as well. See “Guest Post: Deeper Trends in Securities Class Actions 2006–2015,” The D&O Diary, June 23, 2016.

*Complaints filed by three plaintiff law firms have been dismissed more frequently than those filed by other law firms for all years analyzed.*

Figure 27: Status by Plaintiff Law Firm of Record—Core Federal Filings 2017–2022



Note: The analysis relies on the counsel of record. Of core federal filings in 2022, 4% do not have counsel of record assigned yet; these filings are excluded from this analysis. Percentages may not sum to 100% due to rounding. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from Figures 1–3, 10–13, 15, and 22, and Appendices 1 and 5, which account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. See Additional Notes to Figures for Counts and Totals Methodology.

# Filings Referencing Short-Seller Reports by Plaintiff Counsel

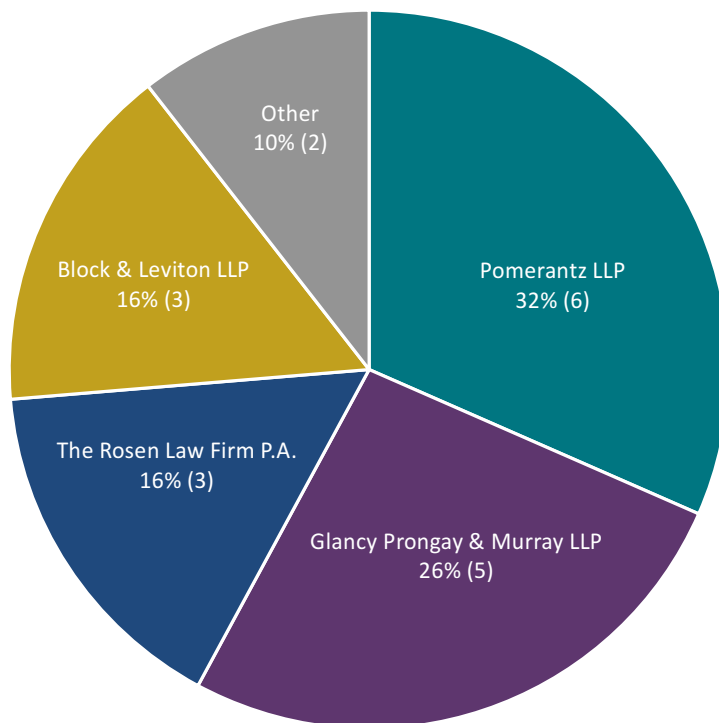
This analysis examines which plaintiff law firms reference reports by short sellers most frequently.

- In 2023, 19 core federal first identified complaints, or about 9%, alleged stock price drops related to reports published by short sellers, a decline of 17% relative to the number in 2022.
- Of these 19 core federal filings, 14 (74%) were made by three plaintiff law firms—The Rosen Law Firm P.A., Pomerantz LLP, and Glancy Prongay & Murray LLP. These firms’ share of core federal filings referencing short-seller reports greatly exceeded their share of all core federal filings (54%) in 2023.

- Of the five filings referencing short sellers made by other law firms, Block & Leviton LLP filed three.

*In 2023, three plaintiff law firms—The Rosen Law Firm P.A., Pomerantz LLP, and Glancy Prongay & Murray LLP—filed 74% of the core federal filings that referenced reports published by short sellers.*

Figure 28: Core Federal Filings Referencing Short-Seller Reports by Plaintiff Counsel 2023



Source: Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse

Note: Only short-seller reports mentioned in the first identified complaint are included in this analysis. Filings that contained at least one of the four plaintiff law firms were included in the relevant category; otherwise, they were included in “Other.” Four of the filings made by The Rosen Law Firm P.A., Pomerantz LLP, Glancy Prongay & Murray LLP, and Block & Leviton LLP also included an additional law firm. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure’s filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5. See Additional Notes to Figures for Counts and Totals Methodology.

# New Developments

## Class Decertified in *Arkansas Teacher Retirement System v. Goldman Sachs Group*

On August 10, 2023, the Second Circuit Court of Appeals reversed the district court’s decision to grant class certification in *Arkansas Teacher Retirement System v. Goldman Sachs Group*, and ordered that the class be decertified.<sup>1</sup>

In a prior ruling in this matter, the U.S. Supreme Court held that the “inference [] that the back-end price drop equals front-end inflation [] starts to break down when there is a mismatch between the contents of the misrepresentation and the corrective disclosure.” In particular, the Court ruled that “when the earlier misrepresentation is generic (e.g., ‘we have faith in our business model’) and the later corrective disclosure is specific (e.g., ‘our fourth quarter earnings did not meet expectations’), . . . it is less likely that the specific disclosure actually corrected the general misrepresentation, which means that there is less reason to infer front-end price inflation—that is, price impact—from the back-end drop.”<sup>2</sup>

The Second Circuit held that “there is an insufficient link between the corrective disclosures and the alleged misrepresentations. Defendants have demonstrated, by a preponderance of the evidence, that the misrepresentations did not impact Goldman’s stock price, and, by doing so, rebutted *Basic*’s presumption of reliance.”<sup>3</sup>

Following the Second Circuit’s decision to decertify the class, the district court entered the voluntary dismissal of the action.<sup>4</sup>

## Whether Failure to Disclose Under Item 303 May Support a Claim Under Section 10(b)

On January 16, 2024, the U.S. Supreme Court in *Macquarie Infrastructure Corp. v. Moab Partners LP* heard oral argument in a case that may determine whether a failure to make a disclosure required under Item 303 of Securities Exchange Commission Regulation S-K (Item 303) can support a claim of securities fraud under Section 10(b), even absent an otherwise misleading statement.<sup>5</sup> (*continued in next column*)

In *Macquarie*, investors accused the company of failing to warn them that a forthcoming ban on high-sulfur fuels could damage the company.<sup>6</sup>

A decision by the Court could resolve a circuit split regarding whether failing to disclose trends or uncertainties that could harm a company under Item 303 can be the basis for Section 10(b) liability. A decision is expected later this year.

## Class Certification Denied in *In re: January 2021 Short Squeeze Trading Litigation*

In *In re: January 2021 Short Squeeze Trading Litigation*, the U.S. District Court for the Southern District of Florida declined to certify a class of investors who alleged that they were harmed when Robinhood, a trading platform, engaged in market manipulation when it suspended purchases of a number of “meme stocks.”<sup>7</sup>

In seeking class certification, Plaintiffs argued that the stocks at issue generally traded in efficient markets over a time period before Robinhood put the purchase restrictions in place.<sup>8</sup> In denying the motion for class certification, the Court explained: “Plaintiffs ask the Court to accept an extraordinary interpretation of *Basic*: that the presumption may apply if a market was generally efficient prior to any alleged manipulation, even if it was unquestionably inefficient when a plaintiff traded. This is nonsense.”<sup>9</sup> The Court consequently concluded that Plaintiffs “failed to show that common issues predominate because they have not offered a method of proving reliance class wide or otherwise assured the Court that individualized issues of reliance will not predominate.”<sup>10</sup> Plaintiffs have asked the Court for permission to file a renewed motion for class certification.

1. *Arkansas Teacher Retirement System v. Goldman Sachs Group*, 77 F.4th 74, 81 (2d Cir. 2023).

2. *Goldman Sachs Group, Inc. v. Arkansas Teacher Retirement System*, 141 S. Ct. 1951, 1961 (2021).

3. *Arkansas Teacher Retirement System v. Goldman Sachs Group*, 77 F.4th 74, 105 (2d Cir. 2023).

4. Stipulation of Voluntary Dismissal with Prejudice, *In Re Goldman Sachs Group, Inc. Securities Litigation*, Case No. 1:10-cv-03461 (S.D.N.Y., Nov. 17, 2023).

5. “High Court Signals Narrow Ruling against Shareholder Suits,” Law360, January 16, 2024.

6. *Macquarie Infrastructure Corp. v. Moab Partners LP*, Case No. 22-1165.

7. *In re: January 2021 Short Squeeze Trading Litigation*, Case No. 1:21-md-02989, slip op. at 1–2 (S.D. Fla. Nov. 13, 2023).

8. *Ibid.*, slip op. at 60.

9. *Ibid.*, slip op. at 61.

10. *Ibid.*, slip op. at 72.

# Glossary

**Annual Number of Class Action Filings by Location of Headquarters** (formerly known as the Class Action Filings Non-U.S. Index) tracks the number of core federal filings against non-U.S. issuers (companies headquartered outside the United States) relative to total core federal filings.

**Class Action Filings Index® (CAF Index®)** tracks the number of federal securities class action filings.

**Core filings** are all state 1933 Act class actions and all federal securities class actions, excluding those defined as M&A filings.

**Cyan** refers to *Cyan Inc. v. Beaver County Employees Retirement Fund*. In this March 2018 opinion, the U.S. Supreme Court ruled that 1933 Act claims may be brought to state venues and are not removable to federal court.

**De-SPAC Transaction** refers to the transaction by which a SPAC acquires and merges with a previously private company, which assumes the SPAC's exchange listing.

**Disclosure Dollar Loss Index® (DDL Index®)** measures the aggregate DDL for all federal and state filings over a period of time. DDL is the dollar-value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed at the end of the class period, including information unrelated to the litigation. Reported DDL is inflation-adjusted to 2023 dollars (from the year of the end of the alleged class period for filings with Section 10(b) claims and the filing year for all other lawsuits) using the Consumer Price Index for All Urban Consumers (CPI-U).

**Dollar Loss on Offered Shares Index™ (DLOS Index™)** measures the aggregate DLOS for federal filings with only Section 11 claims and for state 1933 Act filings. DLOS is the change in the dollar-value of shares acquired by members of the putative class. It is the difference in the price of offered shares (i.e., from the date the registration statement becomes effective through the filing date of the first identified complaint multiplied by the shares offered). DLOS should not be considered an indicator of liability or measure of potential damages. *(continued in next column)*

Instead, it estimates the impact of all information revealed between the date of the registration statement and the complaint filing date, including information unrelated to the litigation. Reported DLOS is inflation-adjusted to 2023 dollars from the filing year using the Consumer Price Index for All Urban Consumers (CPI-U).

**Filing lag** is the number of days between the end of a class period and the filing date of the securities class action.

**First identified complaint** is the first complaint filed of one or more securities class action complaints with the same underlying allegations against the same defendant or set of defendants. When there is no federal complaint and multiple state complaints are filed, they are treated as separate filings.

**Market capitalization losses** measure changes to market values of the companies subject to class action filings. This report tracks market capitalization losses for defendant firms during and at the end of class periods. They are calculated for publicly traded common equity securities, closed-ended mutual funds, and exchange-traded funds where data are available. Declines in market capitalization may be driven by market, industry, and/or firm-specific factors. To the extent that the observed losses reflect factors unrelated to the allegations in class action complaints, indices based on class period losses would not be representative of potential defendant exposure in class actions. This is especially relevant in the post-*Dura* securities litigation environment. In April 2005, the U.S. Supreme Court ruled that plaintiffs in a securities class action are required to establish a causal connection between alleged wrongdoing and subsequent shareholder losses. This report tracks market capitalization losses at the end of each class period using DDL, and market capitalization losses during each class period using MDL.

**Maximum Dollar Loss Index® (MDL Index®)** measures the aggregate MDL for all federal and state filings over a period of time. MDL is the dollar-value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed during or at the end of the class period, including information unrelated to the litigation. *(continued on next page)*

**Maximum Dollar Loss Index® (MDL Index®), *continued***

Reported MDL is inflation-adjusted to 2023 dollars (from the year of the end of the alleged class period for filings with Section 10(b) claims and the filing year for all other lawsuits) using the Consumer Price Index for All Urban Consumers (CPI-U).

**Merger and acquisition (M&A) filings** are securities class actions filed in federal courts that have Section 14 claims, but no Section 10(b), Section 11, or Section 12(a) claims, and involve merger and acquisition transactions.

**Trend categories** are categories of related securities class actions filed in federal courts. Current trend categories include SPAC, Cannabis, COVID-19, Cryptocurrency, Cybersecurity or Data Breach, and 2023 Banking Turbulence.

**Sciabacucchi** refers to *Salzberg v. Sciabacucchi*. On March 18, 2020, the Delaware Supreme Court held that forum-selection provisions in corporate charters requiring that some class action securities claims under the 1933 Act be adjudicated in federal courts are enforceable.

**Securities Class Action Clearinghouse** is an authoritative source of data and analysis on the financial and economic characteristics of federal securities fraud class action litigation, cosponsored by Cornerstone Research and Stanford Law School.

**State 1933 Act filing** is a class action filed in a state court that asserts claims under Section 11 and/or Section 12 of the Securities Act of 1933. These filings may also have Section 15 claims, but do not have Section 10(b) claims.

# Additional Notes to Figures

## Counts and Totals Methodology

1. A parallel filing is a filing in federal court that has a related filing in state court.
2. For a state court filing to be considered parallel it must be filed against the same defendant, concern the same security, and contain similar allegations to the federal filing.
3. Any additional filing against the same defendant brought in a different state without an additional federal court filing is counted as a unique state filing.
4. When parallel lawsuits are filed in different years or semiannual periods, only the earliest filing is reflected in filing counts and totals.
5. Parallel filings are only used in figures that show combined counts or totals across federal and state courts.
6. Figures that separately present state and federal counts or totals do not identify parallel filings. Therefore, counts and totals in each period are based on the date of each filing, rather than the earliest of the parallel state and federal filing dates. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.
7. Figures that only present state counts or totals similarly do not identify parallel filings. Therefore, counts and totals in each period are only based on the dates of state filings. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.
8. Figures that only present federal counts or totals similarly do not identify parallel filings. Therefore, counts and totals in each period are only based on the dates of federal filings. As a result, these figures differ in counts and totals from other figures that rely on parallel filing identification.

## Figure 3: Federal Filings and State 1933 Act Filings by Venue

1. The federal Section 11 data displayed may contain Section 10(b) claims, but state 1933 Act filings do not.
2. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.

## Figure 4: Summary of Trend Filings—Core Federal Filings

### Definitions of Trend Categories:

**Cybersecurity**-related filings are those in which allegations relate to data breaches or security vulnerabilities.

**Cryptocurrency**-related filings include blockchain or cryptocurrency companies that engaged in the sale or exchange of tokens (commonly initial coin offerings) or non-fungible tokens (NFTs), cryptocurrency mining, cryptocurrency derivatives, or that designed blockchain-focused software.

**Cannabis**-related filings include companies financing, farming, distributing, or selling cannabis and cannabidiol products.

**COVID-19**-related filings include allegations related to companies negatively impacted by the pandemic or looking to address demand for products as a result of the pandemic.

**SPAC** filings concern companies that went public for the express purpose of acquiring an existing company in the future. These include current and former SPACs.

**2023 Banking Turbulence** filings include allegations related to a series of bank failures that occurred in rapid succession, beginning with Silvergate Bank on March 8, 2023.

*(continued in next column)*

In 2023, one filing against a SPAC also had cryptocurrency-related allegations and one filing had both 2023 Banking Turbulence allegations and cryptocurrency-related allegations. In 2022, two filings against SPACs also had cryptocurrency-related allegations. One filing against a SPAC also had COVID-19-related allegations and one filing involving the 2023 Banking Turbulence trend category also had cryptocurrency-related allegations. In 2021, one filing had both cryptocurrency-related allegations and cybersecurity allegations. One filing against a cannabis company also had COVID-19-related allegations. In 2020, one filing against a SPAC also had cryptocurrency-related allegations. In 2018, one filing had cryptocurrency-related allegations and involved a company in the cannabis industry.

## Figure 8: Summary of Cryptocurrency-Related Filings—Core Federal Filings

### Definitions of Cryptocurrency Filing Classifications:

**Cryptocurrency Financial Product** filings include allegations related to a financial product comprised of cryptocurrencies.

**Cryptocurrency Exchange** filings include allegations related to the creation or operation of an exchange that allows for the transfer and/or sale of cryptocurrencies or tokens.

**Cryptocurrency Issuer** filings include allegations related to the creation or issuance of a cryptocurrency or an NFT.

**Cryptocurrency Miner** filings include allegations against a company that operates a cryptocurrency mining service or provides the resources for cryptocurrency mining.

**Cryptocurrency-Adjacent** filings include allegations against a company that does not issue, mine, offer cryptocurrency financial products, or offer exchange services for cryptocurrency, but is still involved in the cryptocurrency industry. Examples include companies selling mining rigs and chips, companies attempting to enter the cryptocurrency space, and companies partnering with cryptocurrency companies to provide services.

Filings with **Multiple Classifications** include allegations relating to two or more of the above cryptocurrency classifications.

In 2023, all five filings with multiple classifications included allegations against an exchange. Two of these filings only had allegations relating to a cryptocurrency financial product and against an exchange; two only had allegations against an exchange and an issuer; and one had allegations relating to a cryptocurrency financial product, against an exchange, and against an issuer. In 2022, filings with multiple classifications included one filing against an issuer and an exchange; three filings relating to a cryptocurrency financial product and against an exchange; two filings relating to a cryptocurrency financial product and against an issuer; one filing against an issuer and a cryptocurrency-adjacent company; and one filing relating to a cryptocurrency financial product, against an issuer, and against an exchange. In 2021, filings with multiple classifications included one filing against an exchange and a cryptocurrency-adjacent company. In 2020, filings with multiple classifications included one filing against an issuer and an exchange. In 2019, filings with multiple classifications included one filing against an issuer and a miner. In 2018, filings with multiple classifications included two filings against an issuer and an exchange; one filing against an issuer and a miner; and one filing against a miner and a cryptocurrency-adjacent company. In 2016, filings with multiple classifications included one filing relating to a cryptocurrency financial product, against an issuer, and against a miner.

**Figure 14: Allegations Box Score—Core Federal Filings**

**Definitions:**

**Misrepresentations in financial documents** are allegations made in the first identified complaint (FIC) that financial documents included misrepresentations. Financial documents include, but are not limited to, those filed with the U.S. Securities and Exchange Commission (SEC) (e.g., Form 10-Ks and registration statements) and press releases announcing financial results.

**Accounting violations** are allegations made in the FIC of U.S. GAAP violations or violations of other reporting standards such as IFRS. In some lawsuits, plaintiff(s) may not have expressly referenced violations of U.S. GAAP or other reporting standards; however, the allegations, if true, would represent violations of U.S. GAAP or other reporting standards.

**Announced restatements** are alleged when the FIC includes accounting violations and refers to an announcement during or subsequent to the class period that the company will restate, may restate, or has unreliable financial statements.

**Internal control weaknesses** are allegations made in the FIC of internal control weaknesses over financial reporting.

**Announced internal control weaknesses** are alleged when the FIC includes internal control weaknesses and refers to an announcement during or subsequent to the class period that the company has internal control weaknesses over financial reporting.

**Figure 15: Percentage of U.S. Exchange-Listed Companies Subject to Federal or State Filings**

1. Percentages are calculated by dividing the count of issuers listed on the NYSE or Nasdaq subject to filings by the number of companies listed on the NYSE or Nasdaq as of the beginning of the year. Percentages may not sum due to rounding.
2. Core Filings and M&A Filings do not include instances in which a company has been subject to both a core and M&A filing in the same year. These are reported separately in the category labeled Both Core and M&A Filings. Since 2009 there have been 22 instances in which a company has been subject to both core and M&A filings in the same year. In 2017, 0.14% of U.S. exchange-listed companies were subject to both a core and M&A filing in the same year. In 2009, 2010, 2013, 2015, 2016, 2019, 2020, and 2021, less than 0.1% of U.S. exchange-listed companies were subject to both a core and M&A filing in the same year. In all other years since 2009 there were no companies subject to both core and M&A filings in the same year.
3. Listed companies were identified by taking the count of listed securities at the beginning of each year and accounting for cross-listed companies or companies with more than one security traded on a given exchange. Securities were counted if they were classified as common stock or American depository receipts (ADRs) and listed on the NYSE or Nasdaq.
4. This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in Figure 12. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. The figure begins including issuers facing suits in state 1933 Act filings in 2010.

**Figure 19: State 1933 Act Filings by State**

1. All Others contains filings in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin.
2. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.
3. This analysis compares all Section 11 filings in federal courts with all 1933 Act filings in state courts. It does not present data on a combined federal and state basis, nor does it identify or account for lawsuits that have parallel filings in both state and federal courts. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports.

**Figure 20: Dollar Loss on Offered Shares™ (DLOS Index™) for Federal Section 11–Only and State 1933 Act Filings**

1. Federal filings included in this analysis must contain a Section 11 claim and may contain a Section 12 claim, but do not contain Section 10(b) claims. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.
2. Starting with Cornerstone Research’s *Securities Class Action Filings—2021 Year in Review*, the DLOS methodology has been changed from using the difference between the offering price of the shares and their closing price on the day of the first identified complaint’s first alleged corrective disclosure (if none were mentioned, instead the price the day after the complaint filing day was used instead), to using the difference between the offering price of the shares and their closing price on the filing date of the first identified complaint.

**Figure 21: Federal Section 11 and State 1933 Act Class Action Filings by Type of Security Issuance**

1. The federal Section 11 data displayed may contain Section 10(b) claims, but state 1933 Act filings do not.
2. Beginning in 2018, California state filings may contain either Section 11 or Section 12 claims. Of the 16 filings in California in 2018, six filings contained Section 12 claims without also containing Section 11 claims. Since 2018, there have been two such filings.
3. There was one federal court filing in 2019 related to both a merger-related issuance and an SEO. This analysis categorizes this filing as relating to a merger-related issuance to avoid double-counting. Similarly, there was an SEO and other state filing in 2021 marked as SEO, a merger-related and other federal filing in 2022 marked as merger-related, and an IPO/SEO and other state filing in 2022 marked as IPO/SEO, all for the same reason.

# Appendices

## Appendix 1: Basic Filings Metrics

Year	Class		Disclosure Dollar Loss			Maximum Dollar Loss			U.S. Exchange-Listed Firms: Core Filings		
	Action Filings	Core Filings	DDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	MDL Total (\$ Billions)	Average (\$ Millions)	Median (\$ Millions)	Number of Listed Firms Sued	Percentage of Listed Firms Sued	
1997	174	174	\$80	\$519	\$109	\$278	\$1,808	\$770	8,113	165	2.0%
1998	242	242	\$150	\$684	\$114	\$419	\$1,907	\$549	8,190	225	2.7%
1999	209	209	\$257	\$1,395	\$186	\$667	\$3,625	\$691	7,771	197	2.5%
2000	216	216	\$426	\$2,217	\$211	\$1,348	\$7,022	\$1,240	7,418	205	2.8%
2001	180	180	\$344	\$2,112	\$159	\$2,583	\$15,844	\$1,328	7,197	168	2.3%
2002	224	224	\$341	\$1,678	\$232	\$3,480	\$17,141	\$2,532	6,474	204	3.2%
2003	192	192	\$129	\$754	\$167	\$962	\$5,625	\$797	5,999	181	3.0%
2004	228	228	\$234	\$1,198	\$174	\$1,189	\$6,098	\$815	5,643	210	3.7%
2005	182	182	\$146	\$935	\$242	\$574	\$3,681	\$774	5,593	168	3.0%
2006	120	120	\$79	\$756	\$165	\$451	\$4,334	\$624	5,525	114	2.1%
2007	177	177	\$234	\$1,500	\$229	\$1,039	\$6,658	\$1,051	5,467	158	2.9%
2008	224	224	\$314	\$2,154	\$304	\$1,162	\$7,956	\$1,525	5,339	170	3.2%
2009	164	157	\$119	\$1,182	\$196	\$782	\$7,740	\$1,513	5,042	118	2.3%
2010	174	135	\$102	\$973	\$203	\$669	\$6,371	\$836	4,764	107	2.2%
2011	189	146	\$156	\$1,159	\$125	\$718	\$5,316	\$614	4,660	127	2.7%
2012	154	142	\$130	\$1,017	\$203	\$543	\$4,210	\$863	4,529	119	2.6%
2013	165	152	\$136	\$983	\$200	\$365	\$2,642	\$700	4,411	137	3.1%
2014	170	158	\$72	\$488	\$212	\$285	\$1,923	\$680	4,416	144	3.3%
2015	217	183	\$154	\$864	\$186	\$534	\$2,998	\$659	4,578	169	3.7%
2016	288	204	\$135	\$705	\$212	\$1,078	\$5,617	\$1,327	4,593	188	4.1%
2017	412	214	\$157	\$799	\$186	\$641	\$3,269	\$827	4,411	186	4.2%
2018	420	238	\$403	\$1,928	\$362	\$1,604	\$7,673	\$1,300	4,406	211	4.8%
2019	427	267	\$338	\$1,424	\$259	\$1,420	\$5,992	\$1,204	4,318	237	5.5%
2020	331	232	\$316	\$1,567	\$212	\$1,786	\$8,840	\$1,185	4,514	192	4.3%
2021	218	200	\$309	\$1,755	\$424	\$1,064	\$6,043	\$1,596	4,759	181	3.8%
2022	208	201	\$618	\$3,720	\$262	\$2,531	\$15,246	\$2,224	5,741	172	3.0%
2023	215	209	\$335	\$1,838	\$336	\$3,209	\$17,634	\$2,275	5,688	181	3.2%
Average 1997–2022	227	192	\$226	\$1,326	\$213	\$1,083	\$6,368	\$1,085	5,539	172	3.2%

Note: This figure presents combined federal and state data. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. State 1933 Act filings in state courts are included in the data beginning in 2010. As a result, this figure's filing counts may not match those in Figures 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9. Average and median numbers are calculated only for filings with MDL and DDL data. There are core filings for which data are not available to estimate MDL and DDL accurately; these filings are excluded from MDL and DDL analysis. The number and percentage of U.S. exchange-listed firms sued are based on core filings and include companies that were subject to both an M&A filing and a core filing in the same year. This differs from Figure , which separately categorizes companies with both an M&A filing and a core filing in the same year. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports.



## Appendix 2A: S&amp;P 500 Securities Litigation—Percentage of S&amp;P 500 Companies Subject to Core Federal Filings

Year	Consumer Discretionary	Consumer Staples	Energy/ Materials	Financials/ Real Estate	Health Care	Industrials	Telecomm./ Comm./IT	Utilities	All S&P 500 Companies
2001	2.4%	8.3%	0.0%	1.4%	7.1%	0.0%	18.0%	7.9%	5.6%
2002	10.2%	2.9%	3.1%	16.7%	15.2%	6.0%	11.0%	40.5%	12.0%
2003	4.6%	2.9%	1.7%	8.6%	10.4%	3.0%	5.6%	2.8%	5.2%
2004	3.4%	2.7%	1.8%	19.3%	10.6%	8.5%	3.2%	5.7%	7.2%
2005	10.3%	8.6%	1.7%	7.3%	10.7%	1.8%	6.7%	3.0%	6.6%
2006	4.4%	2.8%	0.0%	2.4%	6.9%	0.0%	8.1%	0.0%	3.6%
2007	5.7%	0.0%	0.0%	10.3%	12.7%	5.8%	2.3%	3.1%	5.4%
2008	4.5%	2.6%	0.0%	31.2%	13.7%	3.6%	2.5%	3.2%	9.2%
2009	3.8%	4.9%	1.5%	9.5%	3.7%	6.9%	1.2%	0.0%	4.2%
2010	5.1%	0.0%	4.3%	10.3%	13.5%	0.0%	2.4%	0.0%	4.8%
2011	3.8%	2.4%	0.0%	1.2%	2.0%	1.7%	7.1%	0.0%	2.6%
2012	4.9%	2.4%	2.7%	3.7%	1.9%	1.6%	3.8%	0.0%	3.0%
2013	8.4%	0.0%	0.0%	0.0%	5.7%	0.0%	9.1%	0.0%	3.4%
2014	1.2%	0.0%	1.3%	1.2%	0.0%	4.7%	0.0%	0.0%	1.2%
2015	0.0%	5.0%	0.0%	1.2%	1.9%	0.0%	4.2%	3.4%	1.6%
2016	3.6%	2.6%	4.5%	6.9%	17.9%	6.1%	6.8%	3.4%	6.6%
2017	8.5%	2.7%	3.3%	3.3%	8.3%	8.7%	8.5%	7.1%	6.4%
2018	10.0%	11.8%	1.8%	7.0%	16.1%	8.8%	12.7%	7.1%	9.4%
2019	3.1%	12.1%	3.7%	2.0%	12.9%	10.1%	10.0%	6.9%	7.2%
2020	8.1%	3.1%	1.9%	5.3%	6.3%	2.7%	2.0%	7.1%	4.4%
2021	0.0%	6.3%	5.7%	0.0%	0.0%	1.4%	5.1%	0.0%	2.2%
2022	3.3%	0.0%	0.0%	2.1%	7.8%	4.2%	6.0%	3.6%	3.8%
2023	3.8%	10.5%	1.9%	4.8%	10.9%	7.7%	11.6%	3.3%	7.1%
Average									
2001–2022	5.0%	3.7%	1.7%	6.8%	8.4%	3.9%	6.2%	5.0%	5.3%

## Appendix 2B: S&amp;P 500 Securities Litigation—Percentage of Market Capitalization of S&amp;P 500 Companies Subject to Core Federal Filings

Year	Consumer Discretionary	Consumer Staples	Energy/ Materials	Financials/ Real Estate	Health Care	Industrials	Telecomm./ Comm./IT	Utilities	All S&P 500 Companies
2001	1.3%	6.3%	0.0%	0.8%	5.4%	0.0%	32.6%	17.4%	10.9%
2002	24.7%	0.3%	1.2%	29.2%	35.2%	13.3%	9.1%	51.0%	18.8%
2003	2.0%	2.3%	0.4%	19.9%	16.3%	4.6%	1.7%	4.3%	8.0%
2004	7.9%	0.1%	29.7%	46.1%	24.1%	8.8%	1.2%	4.8%	17.7%
2005	5.7%	11.4%	1.6%	22.2%	10.1%	5.6%	10.3%	5.6%	10.7%
2006	8.9%	0.8%	0.0%	8.2%	18.1%	0.0%	8.3%	0.0%	6.7%
2007	4.4%	0.0%	0.0%	18.1%	22.5%	2.2%	3.4%	5.5%	8.2%
2008	7.2%	2.6%	0.0%	55.0%	20.0%	26.4%	1.4%	4.0%	16.2%
2009	1.9%	3.9%	0.8%	30.7%	1.7%	23.2%	0.3%	0.0%	7.6%
2010	4.9%	0.0%	5.2%	31.1%	32.7%	0.0%	5.9%	0.0%	11.1%
2011	4.6%	0.8%	0.0%	6.9%	0.7%	2.1%	13.4%	0.0%	5.0%
2012	1.6%	14.0%	0.9%	11.0%	0.8%	1.2%	2.2%	0.0%	4.3%
2013	4.4%	0.0%	0.0%	0.0%	4.4%	0.0%	16.6%	0.0%	4.7%
2014	2.5%	0.0%	0.2%	0.3%	0.0%	1.7%	0.0%	0.0%	0.6%
2015	0.0%	1.9%	0.0%	3.0%	3.1%	0.0%	7.0%	3.7%	2.8%
2016	2.8%	1.0%	19.8%	11.9%	13.2%	8.7%	12.3%	4.4%	10.0%
2017	8.2%	6.7%	2.3%	1.5%	2.7%	22.3%	4.4%	9.6%	6.1%
2018	4.7%	15.2%	1.4%	12.5%	26.3%	19.4%	19.4%	6.5%	14.9%
2019	0.5%	9.1%	1.2%	2.2%	6.6%	21.6%	18.0%	7.9%	10.0%
2020	2.2%	1.8%	0.4%	16.9%	4.7%	4.9%	1.6%	6.6%	4.3%
2021	0.0%	17.7%	12.0%	0.0%	0.0%	0.5%	8.2%	0.0%	5.1%
2022	30.3%	0.0%	0.0%	4.7%	12.3%	6.1%	4.0%	7.2%	8.4%
2023	13.1%	7.4%	0.6%	2.0%	8.1%	8.3%	17.3%	16.0%	10.1%
Average									
2001–2022	7.2%	4.8%	2.9%	12.5%	10.6%	8.0%	7.9%	5.8%	8.1%

Note: Average figures are calculated as the sum of the market capitalization subject to core filings in a given sector from 2001 to 2022 divided by the sum of market capitalization in that sector from 2001 to 2022.

## Appendix 3: M&amp;A Federal Filings Overview

Year	M&A Filings	M&A Case Status					Case Status of All Other Federal Filings				
		Dismissed	Settled	Remanded	Continuing	Trial	Dismissed	Settled	Remanded	Continuing	Trial
2013	13	7	6	0	0	0	86	65	1	0	0
2014	12	9	3	0	0	0	66	87	2	1	0
2015	34	27	7	0	0	0	95	71	4	2	1
2016	84	70	14	0	0	0	92	79	6	8	1
2017	198	190	7	1	0	0	114	90	4	5	0
2018	182	176	5	0	1	0	123	81	0	15	1
2019	160	156	2	0	2	0	126	96	0	20	0
2020	99	98	0	0	1	0	123	62	0	33	0
2021	18	14	1	0	3	0	70	33	1	89	0
2022	7	3	1	0	3	0	42	11	0	137	0
2023	6	1	0	0	5	0	12	0	0	195	0
Average (2013–2022)	81	75	5	0	1	0	94	68	2	31	0

Note: The Securities Class Action Clearinghouse began tracking M&A filings as a separate category in 2009. Case status is as of January 10, 2024. Filings are grouped by complaint filing year, not the year of the most recent change in case status. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

## Appendix 4: Status by Year—Core Federal Filings

Filing Year	In the First Year			In the Second Year			In the Third Year		
	Settled	Dismissed	Total Resolved within One Year	Settled	Dismissed	Total Resolved within Two Years	Settled	Dismissed	Total Resolved within Three Years
1997	0.6%	7.5%	8.0%	14.9%	8.6%	31.6%	17.8%	4.0%	53.4%
1998	0.8%	7.4%	8.3%	16.1%	12.8%	37.2%	15.7%	7.9%	60.7%
1999	0.5%	6.7%	7.2%	11.0%	12.0%	30.1%	18.2%	9.1%	57.4%
2000	1.9%	4.2%	6.0%	11.6%	13.0%	30.6%	15.7%	10.6%	57.4%
2001	1.7%	6.7%	8.3%	11.7%	10.6%	30.6%	18.3%	5.0%	53.9%
2002	0.9%	5.8%	7.1%	6.7%	9.4%	23.2%	14.7%	11.6%	49.6%
2003	1.0%	7.8%	8.9%	7.8%	13.5%	30.2%	14.1%	14.6%	58.9%
2004	0.0%	10.5%	10.5%	9.6%	16.2%	36.4%	12.3%	9.6%	58.3%
2005	0.5%	11.5%	12.1%	6.6%	19.8%	38.5%	18.1%	8.8%	65.4%
2006	0.8%	9.2%	10.0%	8.3%	17.5%	35.8%	16.7%	7.5%	60.0%
2007	0.6%	7.3%	7.9%	7.9%	18.1%	33.9%	19.2%	11.9%	65.0%
2008	0.0%	13.0%	13.9%	4.9%	20.2%	39.0%	10.3%	10.3%	59.6%
2009	0.0%	9.6%	9.6%	6.4%	22.9%	38.9%	8.3%	9.6%	56.7%
2010	1.5%	11.0%	13.2%	8.8%	20.6%	42.6%	5.9%	13.2%	61.8%
2011	0.0%	12.4%	13.1%	4.1%	18.6%	35.9%	22.1%	11.7%	69.7%
2012	0.7%	12.9%	15.1%	4.3%	25.9%	45.3%	18.0%	6.5%	69.8%
2013	0.0%	19.1%	19.7%	10.5%	25.0%	55.3%	14.5%	5.3%	75.0%
2014	0.6%	10.9%	12.8%	9.6%	21.8%	44.2%	18.6%	7.7%	70.5%
2015	0.0%	17.3%	19.7%	6.9%	23.7%	50.3%	11.0%	8.7%	69.9%
2016	0.0%	14.4%	16.0%	8.0%	22.5%	47.1%	11.2%	7.5%	66.8%
2017	0.0%	18.3%	19.7%	5.2%	22.5%	47.9%	11.3%	7.5%	66.7%
2018	0.0%	13.2%	13.2%	6.8%	22.7%	42.7%	9.1%	11.8%	63.6%
2019	0.0%	14.5%	14.5%	6.2%	24.8%	45.5%	15.3%	7.4%	68.2%
2020	0.5%	17.4%	17.9%	5.0%	24.3%	47.2%	12.4%	10.6%	70.2%
2021	0.0%	13.5%	14.0%	5.7%	16.6%	36.3%	11.4%	6.2%	53.9%
2022	0.5%	12.1%	12.6%	5.3%	10.0%	27.9%	-	-	-
2023	0.0%	5.8%	5.8%	-	-	-	-	-	-

Note: Percentages may not sum due to rounding. Percentages below the dashed lines indicate cohorts for which data are not complete. Status is reported as of the last significant docket update as determined by the Cornerstone Research and Stanford Law School Securities Class Action Clearinghouse and is up to date as of the end of 2023. This analysis only considers federal filings. It does not present combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure's filing counts may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

**Appendix 5: Filings by Industry—Core Filings**

(Dollars in 2023 billions)

Industry	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2022	2021	2022	2023	Average 1997–2022	2021	2022	2023	Average 1997–2022	2021	2022	2023
Financial	30	18	11	26	\$29	\$7	\$29	\$39	\$186	\$37	\$194	\$207
Consumer Non-Cyclical	54	71	68	55	\$64	\$72	\$134	\$70	\$247	\$231	\$661	\$345
Industrial	17	10	9	21	\$19	\$6	\$4	\$24	\$68	\$12	\$37	\$104
Technology	24	31	25	27	\$35	\$47	\$36	\$93	\$145	\$116	\$253	\$475
Consumer Cyclical	21	24	29	30	\$16	\$50	\$23	\$57	\$91	\$152	\$235	\$804
Communications	27	22	21	20	\$52	\$108	\$386	\$42	\$272	\$308	\$1,105	\$1,191
Energy	7	10	7	7	\$6	\$15	\$3	\$5	\$39	\$199	\$39	\$32
Basic Materials	5	4	5	4	\$3	\$3	\$2	\$2	\$19	\$8	\$6	\$12
Utilities	3	0	2	2	\$2	\$0	\$0	\$2	\$15	\$0	\$2	\$40
Unknown/Unclassified	4	10	24	17	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0
<b>Total</b>	<b>192</b>	<b>200</b>	<b>201</b>	<b>209</b>	<b>\$226</b>	<b>\$309</b>	<b>\$618</b>	<b>\$335</b>	<b>\$1,083</b>	<b>\$1,064</b>	<b>\$2,531</b>	<b>\$3,209</b>

Note: Figures may not sum due to rounding. Filings with missing sector information or infrequently used sectors may be excluded. As a result, numbers in this chart may not match other total counts listed in the report. This figure presents combined core federal and state data. It does not present M&A lawsuits. Filings in federal courts may have parallel lawsuits filed in state courts. When parallel lawsuits are filed in different years, only the earlier filing is reflected in the figure above. Filings against the same company brought in different states without a filing brought in federal court are counted as unique state filings. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. As a result, this figure’s filing counts, DDL, and MDL may not match 4–9, 14, 16–21, 24, and 26–28, or Appendices 2–4 and 6–9.

**Appendix 6: Filings by Circuit—Core Federal Filings**

(Dollars in 2023 billions)

Circuit	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
	Average 1997–2022	2021	2022	2023	Average 1997–2022	2021	2022	2023	Average 1997–2022	2021	2022	2023
1st	8	4	3	6	\$10	\$2	\$2	\$5	\$30	\$5	\$34	\$20
2nd	56	82	73	50	\$67	\$122	\$75	\$100	\$363	\$418	\$383	\$486
3rd	17	15	16	36	\$28	\$16	\$54	\$32	\$111	\$61	\$309	\$384
4th	6	6	7	7	\$4	\$6	\$3	\$6	\$19	\$20	\$19	\$17
5th	11	8	7	7	\$10	\$13	\$1	\$2	\$60	\$178	\$23	\$48
6th	8	6	1	9	\$10	\$2	\$1	\$10	\$39	\$9	\$7	\$122
7th	8	4	7	6	\$11	\$1	\$27	\$8	\$46	\$2	\$113	\$40
8th	5	1	1	2	\$4	\$0	\$9	\$29	\$19	\$2	\$51	\$64
9th	50	57	59	67	\$69	\$127	\$420	\$111	\$331	\$307	\$1,473	\$1,803
10th	6	3	7	4	\$4	\$1	\$6	\$6	\$19	\$3	\$36	\$24
11th	13	7	8	12	\$7	\$7	\$1	\$8	\$33	\$18	\$7	\$142
D.C.	1	0	1	1	\$1	\$0	\$1	\$15	\$4	\$0	\$1	\$51
<b>Total</b>	<b>188</b>	<b>193</b>	<b>190</b>	<b>207</b>	<b>\$224</b>	<b>\$296</b>	<b>\$599</b>	<b>\$332</b>	<b>\$1,073</b>	<b>\$1,021</b>	<b>\$2,455</b>	<b>\$3,201</b>

Note: Figures may not sum due to rounding. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure’s filing counts, DDL, and MDL may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

**Appendix 7: Filings by Exchange Listing—Core Federal Filings**

	Average (1997–2022)		2022		2023	
	NYSE/Amex	Nasdaq	NYSE	Nasdaq	NYSE	Nasdaq
<b>Class Action Filings</b>	91	115	74	98	83	110
<i>Core Filings</i>	76	96	71	94	78	109
<b>Disclosure Dollar Loss</b>						
DDL Total (\$ Billions)	\$133	\$90	\$126	\$473	\$184	\$148
Average (\$ Millions)	\$1,943	\$946	\$1,940	\$5,202	\$2,454	\$1,440
Median (\$ Millions)	\$417	\$165	\$333	\$203	\$646	\$203
<b>Maximum Dollar Loss</b>						
MDL Total (\$ Billions)	\$661	\$406	\$816	\$1,630	\$1,272	\$1,929
Average (\$ Millions)	\$9,467	\$4,259	\$12,551	\$17,913	\$16,956	\$18,727
Median (\$ Millions)	\$2,118	\$783	\$3,030	\$1,941	\$4,961	\$1,444

Note: Average and median numbers are calculated only for filings with MDL and DDL data. NYSE/Amex was renamed NYSE MKT in May 2012. The numbers shown in this figure have been inflation-adjusted to 2023 dollars and will not match prior reports. This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis. As a result, this figure’s filing counts, DDL, and MDL may not match Figures 1–3, 10–13, 15, and 22, or Appendices 1 and 5.

## Appendix 8: Cryptocurrency-Related Filings by Cryptocurrency Classification—Core Federal Filings

Cryptocurrency Classification Box Score—Core Federal Filings								
	2016	2017	2018	2019	2020	2021	2022	2023
Cryptocurrency-Adjacent Company	0	0	2	1	1	3	2	2
Cryptocurrency Exchange	0	0	2	0	5	4	10	7
Cryptocurrency Financial Product	1	0	0	0	0	0	7	4
Cryptocurrency Issuer	1	5	10	3	8	1	10	4
Cryptocurrency Miner	1	0	4	1	0	4	3	3
Multiple Cryptocurrency Classifications	1	0	4	1	1	1	8	5
<b>Total Cryptocurrency-Related Filings</b>	<b>1</b>	<b>5</b>	<b>14</b>	<b>4</b>	<b>13</b>	<b>11</b>	<b>23</b>	<b>14</b>

Note: Filings with multiple classifications include allegations relating to two or more of the cryptocurrency classifications; therefore, total counts by category may not match counts shown in Figure 8. This analysis only considers core federal filings. It does not present M&A lawsuits or combined federal and state data, and lawsuits are not identified as parallel. This is different from other figures in this report that account for filings in federal courts that also have parallel lawsuits identified in state courts. In those analyses, when parallel lawsuits are filed in different years, only the earlier filing is reflected in the analysis.

# Research Sample

- The Securities Class Action Clearinghouse, cosponsored by Cornerstone Research and Stanford Law School, has identified 6,525 federal securities class action filings between January 1, 1996, and December 31, 2023 (securities.stanford.edu). The analysis in this report is based on data identified by Stanford as of January 10, 2024.
- The sample used in this report includes federal filings that typically allege violations of Sections 11 or 12 of the Securities Act of 1933, or Sections 10(b) or 14(a) of the Securities Exchange Act of 1934.
- The sample is referred to as the “classic filings” sample and excludes IPO allocation, analyst, and mutual fund filings (313, 68, and 25 filings, respectively).
- Multiple filings related to the same allegations against the same defendant(s) are consolidated in the database through a unique record indexed to the first identified complaint.
- In addition to federal filings, class actions filed in state courts since January 1, 2010, alleging violations of the Securities Act of 1933 are also separately tracked.
- An additional 219 state class action filings in state courts, from January 1, 2010, to December 31, 2023, have also been identified.

The views expressed herein do not necessarily represent the views of Cornerstone Research.

The authors request that you reference Cornerstone Research and the Stanford Law School Securities Class Action Clearinghouse in any reprint of the information or figures included in this report.

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## Cornerstone Research

Cornerstone Research provides economic and financial consulting and expert testimony in all phases of complex disputes and regulatory investigations. The firm works with an extensive network of prominent academics and industry practitioners to identify the best-qualified expert for each assignment. Cornerstone Research has earned a reputation for consistently high quality and effectiveness by delivering rigorous, state-of-the-art analysis since 1989. The firm has over 900 staff in nine offices across the United States and Europe.

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# **Exhibit 4**





# CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

## Securities Class Action Settlements

2023 Review and Analysis

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Analyses in this report are based on nearly 2,200 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2023. See page 17 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to a securities class action that is publicly announced to potential class members by means of a settlement notice.

# 2023 Highlights

In 2023, while the number of settled securities class actions declined 21% relative to the 15-year high in 2022, the median settlement amount, median “simplified tiered damages,” and median total assets of issuer defendants all remained at historically elevated levels.<sup>1</sup>

- There were 83 securities class action settlements in 2023 with a total settlement value of approximately \$3.9 billion, compared to 105 settlements in 2022 with a total settlement value of approximately \$4.0 billion. (page 3)
- The median settlement amount of \$15 million is the highest level since 2010 and represents an increase of 11% from 2022, while the average settlement amount (\$47.3 million) increased by 25% over 2022. (page 4)
- There were nine mega settlements (equal to or greater than \$100 million), with a total settlement value of \$2.5 billion. (page 3)
- In 2023, 34% of cases settled for more than \$25 million, the highest percentage since 2012. (page 4)
- Median “simplified tiered damages” declined 16% from the record high in 2022, but remained at elevated levels compared to the prior nine years.<sup>2</sup> (page 5)
- Issuer defendant firms involved in cases that settled in 2023 were 19% larger than defendant firms in 2022 settlements as measured by median total assets, which reached its highest level since 1996. (page 5)
- The median duration from the case filing to the settlement hearing date of 3.7 years in 2023 was unusually high. Since the Reform Act’s passage, the time to settle reached this level in only one other year (2006). (page 14)

**Figure 1: Settlement Statistics**

(Dollars in millions)

	2018–2022	2022	2023
Number of Settlements	420	105	83
Total Amount	\$19,545.7	\$3,974.7	\$3,927.3
Minimum	\$0.4	\$0.7	\$0.8
Median	\$11.7	\$13.5	\$15.0
Average	\$46.5	\$37.9	\$47.3
Maximum	\$3,640.9	\$842.9	\$1,000.0

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.

# Author Commentary

## Insights and Findings

Continuing an increase observed in 2022, the size of settled cases in 2023 (measured by the median settlement amount) reached the highest level in over a decade. This occurred despite a decline in median “simplified tiered damages,” a measure of potential shareholder losses that our research finds to be the single most important factor in explaining individual settlement amounts.

The size of the issuer defendant firms involved in cases settled in 2023 (measured by median total assets) also increased. Indeed, median total assets for defendants in 2023 settlements reached an all-time high among post-Reform Act settlements and was 19% higher than in 2022. Issuer defendant assets serve, in part, as a proxy for resources available to fund a settlement and are highly correlated with settlement amounts. Thus, the increase in defendant assets likely contributed to the growth in settlement amounts in 2023.

One factor causing the increase in asset size of defendant firms in cases settled in 2023 may be that, overall, these firms were more mature than in prior years. Specifically, the median age as a publicly traded firm was 16 years, compared to the median age of 11 years for cases settled from 2014 to 2022. In addition, the percentage of cases settled in 2023 that involved firms in the financial sector (over 15%) was higher than the prior nine-year average. Firms in the financial sector involved in securities class action settlements have consistently reported higher total assets than other issuer firm defendants.

In 2023, cases took longer to settle. They also reached more advanced stages prior to resolution, including a smaller proportion of cases settled before a ruling on class certification compared to prior years. Since longer periods to reach settlement are also correlated with higher settlement amounts, this increase is consistent with the higher overall median settlement value.

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*Securities class actions settled in 2023 continued to take longer to resolve—disruptions associated with the COVID-19 pandemic may have contributed to this increase.*

*Dr. Laarni T. Bulan  
Principal, Cornerstone Research*

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Longer times to reach a settlement and more advanced litigation stages are also typically correlated with greater case activity, as measured by the number of entries on the court dockets. Surprisingly, the median number of docket entries increased only slightly compared to 2022. This, and the fact that over 80% of cases settled in 2023 had been filed by the end of 2020, suggests that the lengthened time to settlement can potentially be explained by delays related to the COVID-19 pandemic.

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*The size of issuer defendants in 2023 settlements surpassed even the previous record in 2022, in part due to an increase in the number of financial sector defendants to the highest level in the last decade.*

*Dr. Laura E. Simmons  
Senior Advisor, Cornerstone Research*

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## Looking Ahead

While we do not necessarily expect new record highs in settlement dollars in the upcoming years, it is possible that settlement amounts will remain at relatively high levels, based on recent trends in securities class action filings, including elevated levels of Disclosure Dollar Loss and Maximum Dollar Loss. (See Cornerstone Research’s [Securities Class Action Filings—2023 Year in Review](#).)

Further, the most recent emergence of case filings related to the 2023 bank failures, combined with a relatively high proportion in the last few years of settled cases involving financial firms, may result in a continued rise in the asset size of issuer defendants involved in settlements. This may also contribute to high settlement amounts.

Additionally, considering the levels of filing activity in recent years, we do not anticipate dramatic increases in the number of cases settled in the upcoming years.

—Laarni T. Bulan and Laura E. Simmons

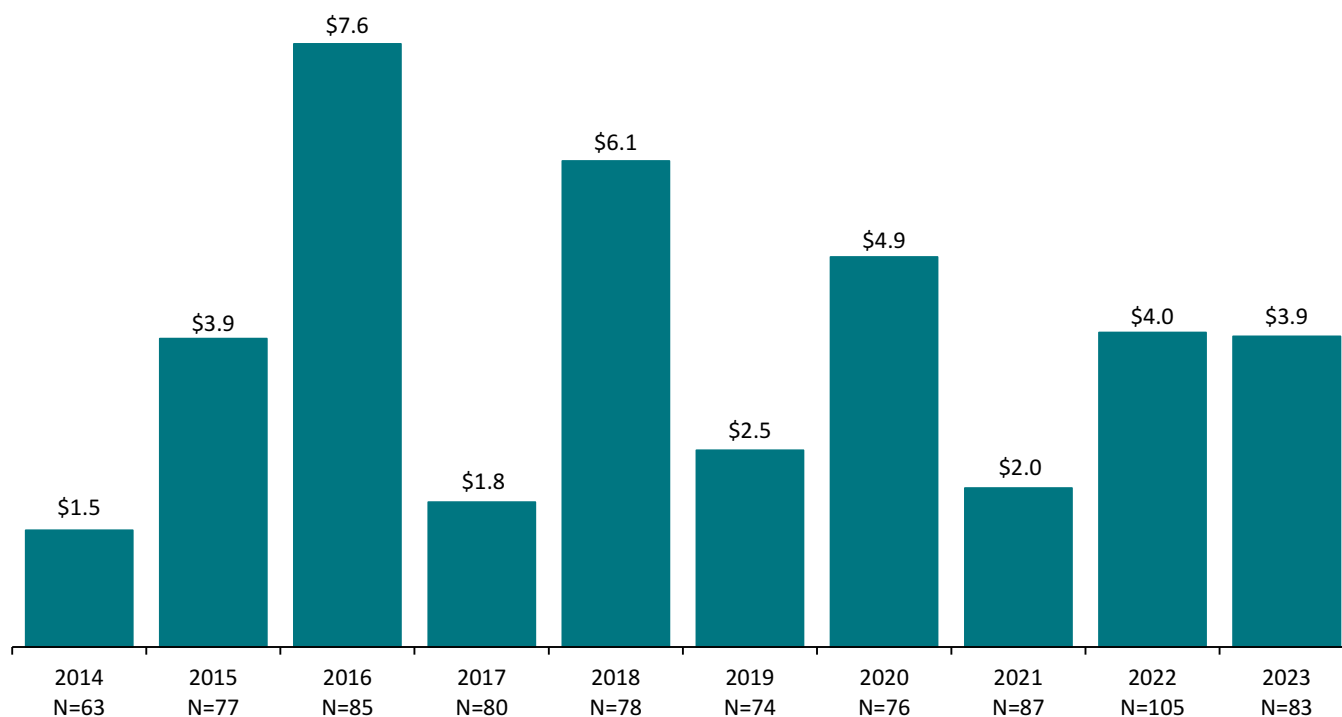
# Total Settlement Dollars

- While the number of settlements in 2023 declined by more than 20% from 2022, 2023 total settlement dollars were roughly the same as in 2022.
- The nine mega settlements in 2023—the highest number since 2016—ranged from \$102.5 million to \$1 billion. (See Appendix 4 for an analysis of mega settlements.)
- Cases involving institutional investors as lead plaintiffs represented 86% of total settlement dollars in 2023, in line with the percentage in 2022.

*Mega settlements accounted for nearly two-thirds of 2023 total settlement dollars, up from 52% in 2022.*

**Figure 2: Total Settlement Dollars  
2014–2023**

(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases.

# Settlement Size

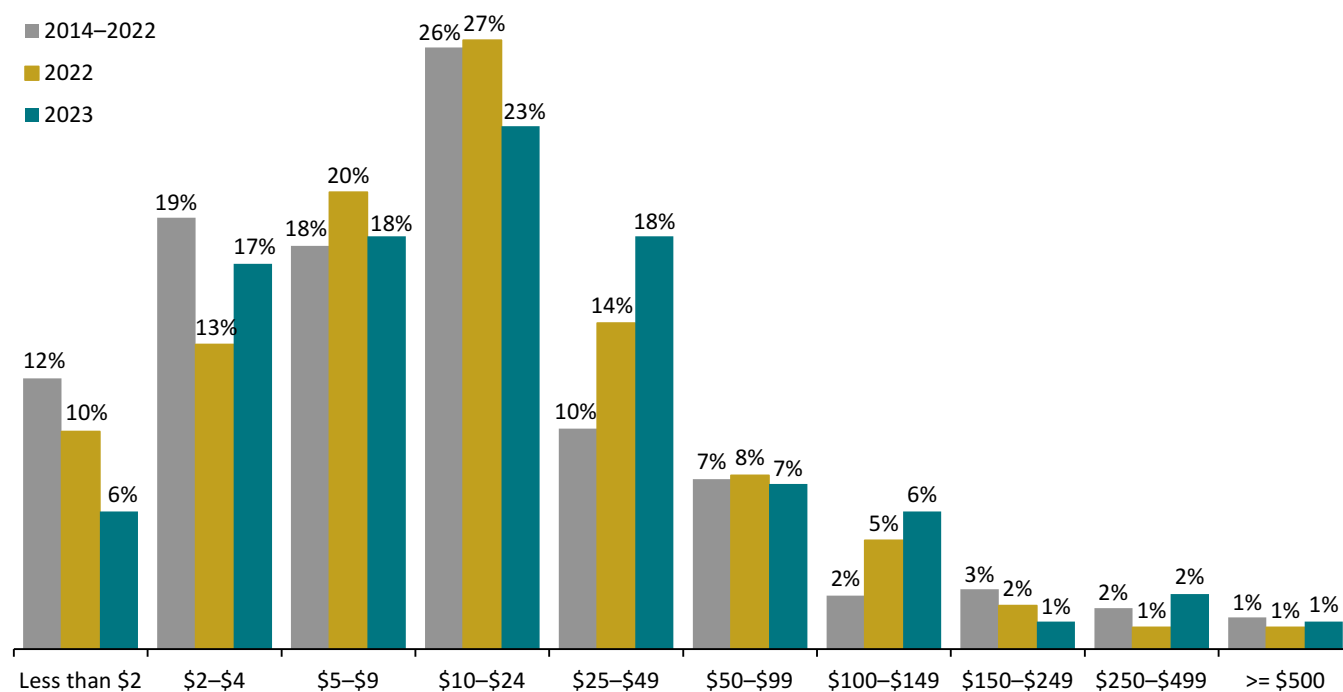
- The median settlement amount in 2023 was \$15 million, an 11% increase from 2022 and 44% higher than the 2014–2022 median (\$10.4 million). Median values provide the midpoint in a series of observations and are less affected than averages by outlier data.
- The average settlement amount in 2023 was \$47.3 million, a 25% increase from 2022. (See Appendix 1 for an analysis of settlements by percentiles.)
- In 2023, 6% of cases settled for less than \$2 million, the lowest percentage since 2013.

*The median settlement amount in 2023 reached the highest level since 2010.*

- The percentage of settlement amounts greater than \$25 million (34%) was the highest since 2012, driven in part by the continued increase in settlement amounts in the \$25 million to \$50 million range.
- Issuers that have been delisted from a major exchange and/or declared bankruptcy prior to settlement are generally associated with lower settlement amounts. The number of such issuers declined from 10% in 2022 to a new all-time low of 7% in 2023, contributing to the higher overall median settlement amount in 2023.<sup>3</sup>

Figure 3: Distribution of Settlements  
2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. Percentages may not sum to 100% due to rounding.

# Type of Claim

## Rule 10b-5 Claims and “Simplified Tiered Damages”

“Simplified tiered damages” uses simplifying assumptions to estimate per-share damages and trading behavior for cases involving Rule 10b-5 claims. It provides a measure of potential shareholder losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends.<sup>4</sup>

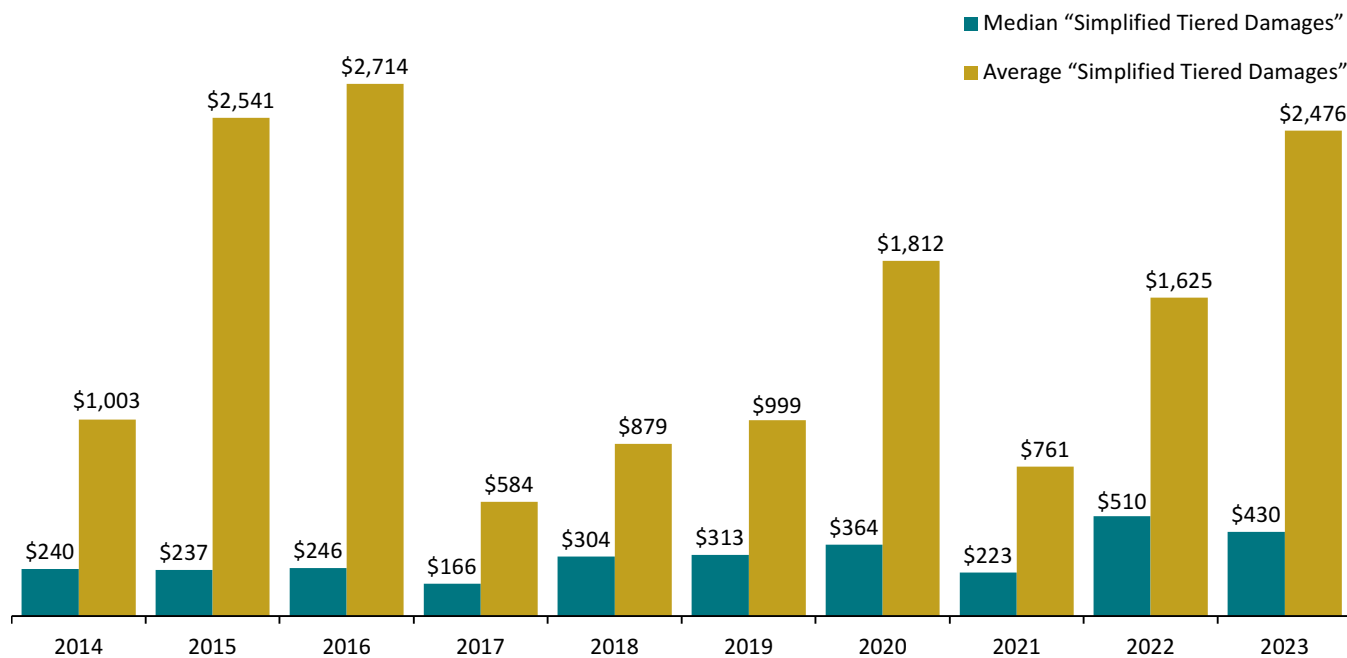
Cornerstone Research’s analysis finds this measure to be the most important factor in estimating settlement amounts.<sup>5</sup> However, this measure is not intended to represent actual economic losses borne by shareholders. Determining any such losses for a given case requires more in-depth economic analysis.

*Median “simplified tiered damages” remained at elevated levels in 2023.*

- In 2023, the average “simplified tiered damages” was nearly six times as large as the median, the largest difference since 2016. This difference was primarily driven by seven cases with “simplified tiered damages” exceeding \$5 billion.
- Higher “simplified tiered damages” are typically associated with larger issuer defendants. Consistent with the elevated levels of “simplified tiered damages,” the median total assets of issuer defendants among settled cases in 2023 was \$3.1 billion—154% higher than the prior nine-year median and higher than any other post-Reform Act year.
- Higher “simplified tiered damages” are also generally associated with larger Maximum Dollar Loss (MDL).<sup>6</sup> In 2023, the median MDL fell only slightly from the historical high in 2022. (See Appendix 7 for additional information on median and average MDL.)

Figure 4: Median and Average “Simplified Tiered Damages” in Rule 10b-5 Cases 2014–2023

(Dollars in millions)



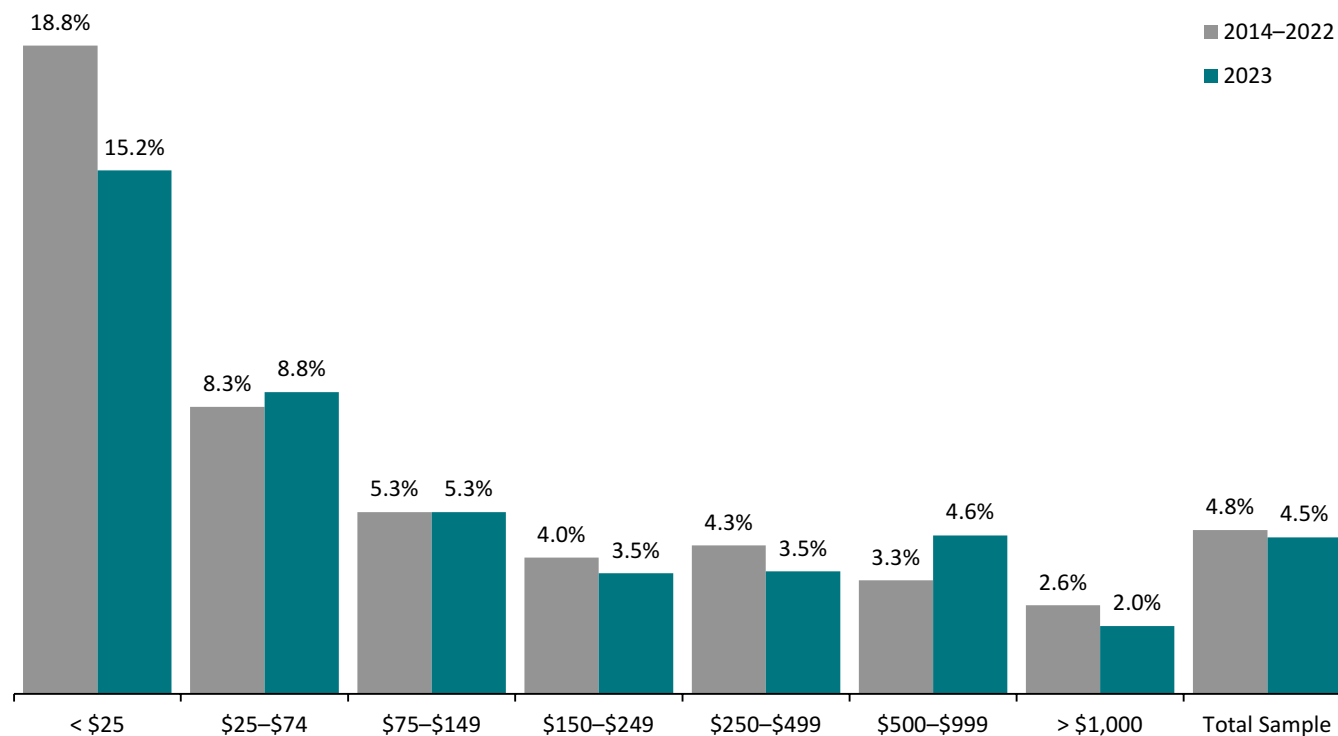
Note: “Simplified tiered damages” are adjusted for inflation based on class period end dates and are estimated for common stock only; 2023 dollar equivalent figures are presented. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).



- Larger cases, as measured by “simplified tiered damages,” typically settle for a smaller percentage of damages.
- In 2023, the overall median settlement as a percentage of “simplified tiered damages” of 4.5% increased 27% from 2022, but was in-line with the prior nine-year average percentage. (See Appendix 5 for additional information on median and average settlement as a percentage of “simplified tiered damages.”)
- The median settlement as a percentage of “simplified tiered damages” of 4.6% for cases with “simplified tiered damages” from \$500 million to \$1 billion reached a five-year high in 2023.

Figure 5: Median Settlement as a Percentage of “Simplified Tiered Damages” by Damages Ranges in Rule 10b-5 Cases 2014–2023

(Dollars in millions)



Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

## Plaintiff-Estimated Damages

In their motions for settlement approval, plaintiffs typically report an estimate of aggregate damages (“plaintiff-estimated damages”).<sup>7</sup>

As explained in Cornerstone Research’s *Approved Claims Rates in Securities Class Actions* (2020), “plaintiff-estimated damages” are often represented as plaintiffs’ “best-case scenario” or the “maximum potential recovery” calculated by plaintiffs. However, the authors highlight a “selection bias” present in these data due to potential plaintiff counsel incentives to report “the lower end of the range of estimated total aggregate damages” to be able “to demonstrate to the court a high settlement amount relative to potential recovery.” To the extent such incentives exist, their impact may vary across cases. Detailed information on plaintiffs’ methodology to determine the reported amount is not disclosed. Hence, it is not possible to determine from the settlement documents the degree to which the methodologies employed are consistent across cases.

With the significant caveats above, “plaintiff-estimated damages” represent an additional measure of potential shareholder losses that may be used alongside “simplified tiered damages” in conjunction with settlement analyses.

## '33 Act Claims and "Simplified Statutory Damages"

For Securities Act of 1933 ('33 Act) claim cases—those involving only Section 11 and/or Section 12(a)(2) claims—potential shareholder losses are estimated using a model in which the statutory loss is the difference between the statutory purchase price and the statutory sales price, referred to here as "simplified statutory damages."<sup>8</sup>

- There were 10 settlements for cases with only '33 Act claims in 2023, with the majority of those cases filed in federal court (7) as opposed to state court (3).<sup>9</sup>
- In 2023, the percentage of cases with an underwriter defendant was 70%, down from the prior nine-year average of 88%.

- The median length of time from case filing to settlement hearing date for '33 Act claim cases was greater than four years—the longest observed duration in any post-Reform Act year for this type of case.

*In 2023, the median settlement amount for cases with only '33 Act claims was \$13.5 million, an 85% increase from 2022.*

Figure 6: Settlements by Nature of Claims  
2014–2023

(Dollars in millions)

	Number of Settlements	Median Settlement	Median "Simplified Statutory Damages"	Median Settlement as a Percentage of "Simplified Statutory Damages"
Section 11 and/or Section 12(a)(2) Only	84	\$9.9	\$158.1	7.5%

	Number of Settlements	Median Settlement	Median "Simplified Tiered Damages"	Median Settlement as a Percentage of "Simplified Tiered Damages"
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	123	\$14.7	\$307.4	6.6%
Rule 10b-5 Only	596	\$10.3	\$291.7	4.5%

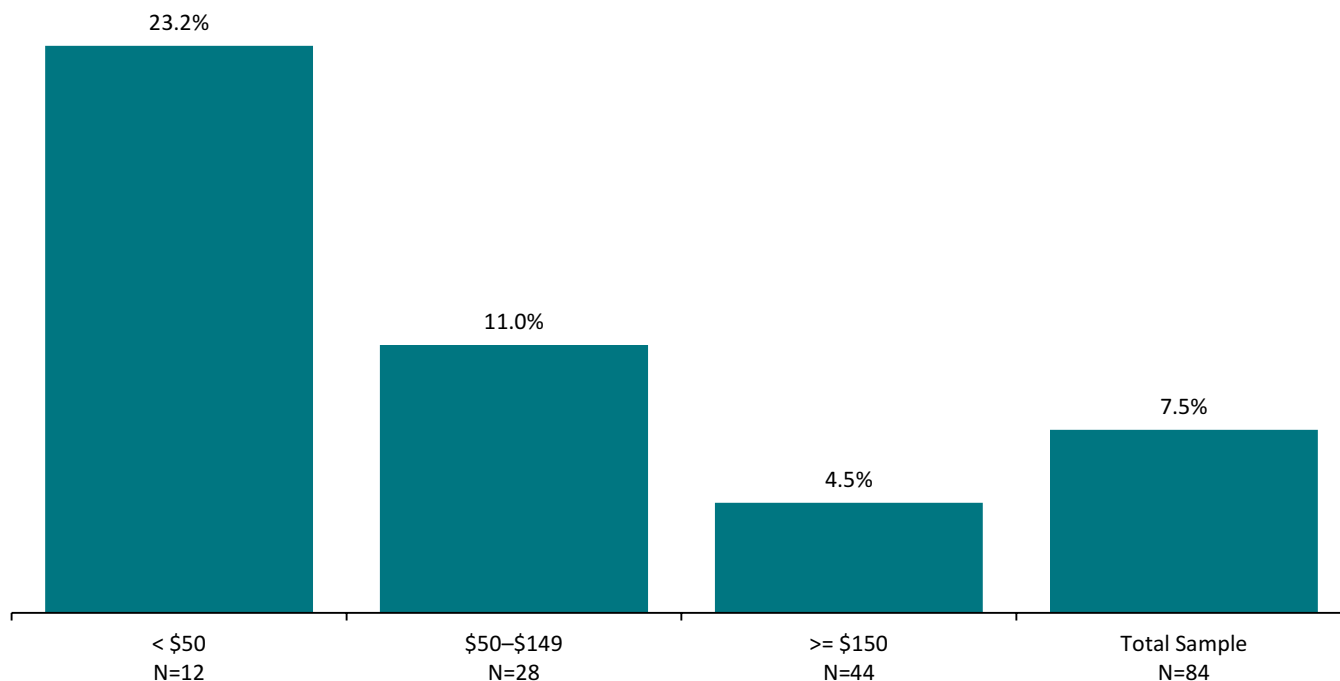
Note: Settlement dollars and damages are adjusted for inflation; 2023 dollar equivalent figures are presented.

- Over 2014–2023, the median size of issuer defendants (measured by total assets) was 40% smaller for cases with only '33 Act claims relative to those that also included Rule 10b-5 claims.
- The smaller size of issuer defendants in cases with only '33 Act claims is consistent with most of these cases involving initial public offerings (IPOs). From 2014 through 2023, 80% of all cases with only '33 Act claims have involved IPOs.
- In 2023, however, the median total assets for settled cases with only '33 Act claims (\$2.5 billion) was over four times as large as the median total assets for such cases in 2014–2022 (\$580 million).

*The median “simplified statutory damages” in 2023 increased by 115% from the 2022 median and represents the third highest since 1996.*

Figure 7: Median Settlement as a Percentage of “Simplified Statutory Damages” by Damages Ranges in '33 Act Claim Cases 2014–2023

(Dollars in millions)



Jurisdictions of Settlements of '33 Act Claim Cases

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Court	0	2	4	5	4	4	7	6	6	3
Federal Court	2	2	6	3	4	5	1	10	3	7

Note: “N” refers to the number of cases. This analysis excludes cases alleging Rule 10b-5 claims.

# Analysis of Settlement Characteristics

## GAAP Violations

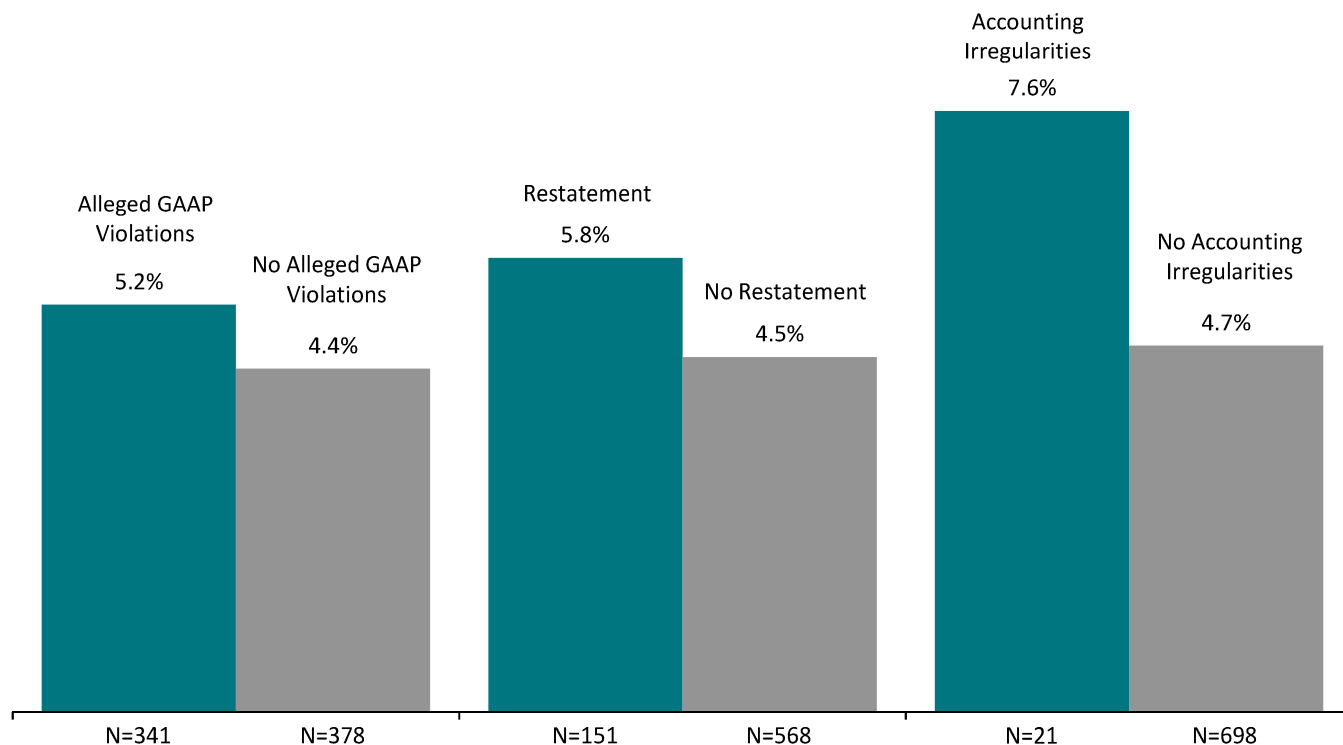
This analysis examines allegations of GAAP violations in settlements of securities class actions involving Rule 10b-5 claims, including two sub-categories of GAAP violations—financial statement restatements and accounting irregularities.<sup>10</sup> For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report on *Accounting Class Action Filings and Settlements*.<sup>11</sup>

- The percentage of settled cases in 2023 alleging GAAP violations (37%) remained well below the prior nine-year average (49%).
- Contributing to the low number of GAAP cases settled in 2023 were continued low levels of cases involving financial statement restatements and accounting irregularities. In particular, 14% of settled cases in 2023 involved a restatement of financial statements, compared to 22% for the prior nine years. Only 1% of settled cases in 2023 involved accounting irregularities.

- Auditor codefendants were involved in only 2% of settled cases, consistent with the past few years but substantially lower than the average from 2014 to 2022.

*In 2023, the median settlement as a percentage of “simplified tiered damages” for cases with alleged GAAP violations increased nearly 25% from 2022.*

Figure 8: Median Settlement as a Percentage of “Simplified Tiered Damages” and Allegations of GAAP Violations 2014–2023



Note: “N” refers to the number of cases. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

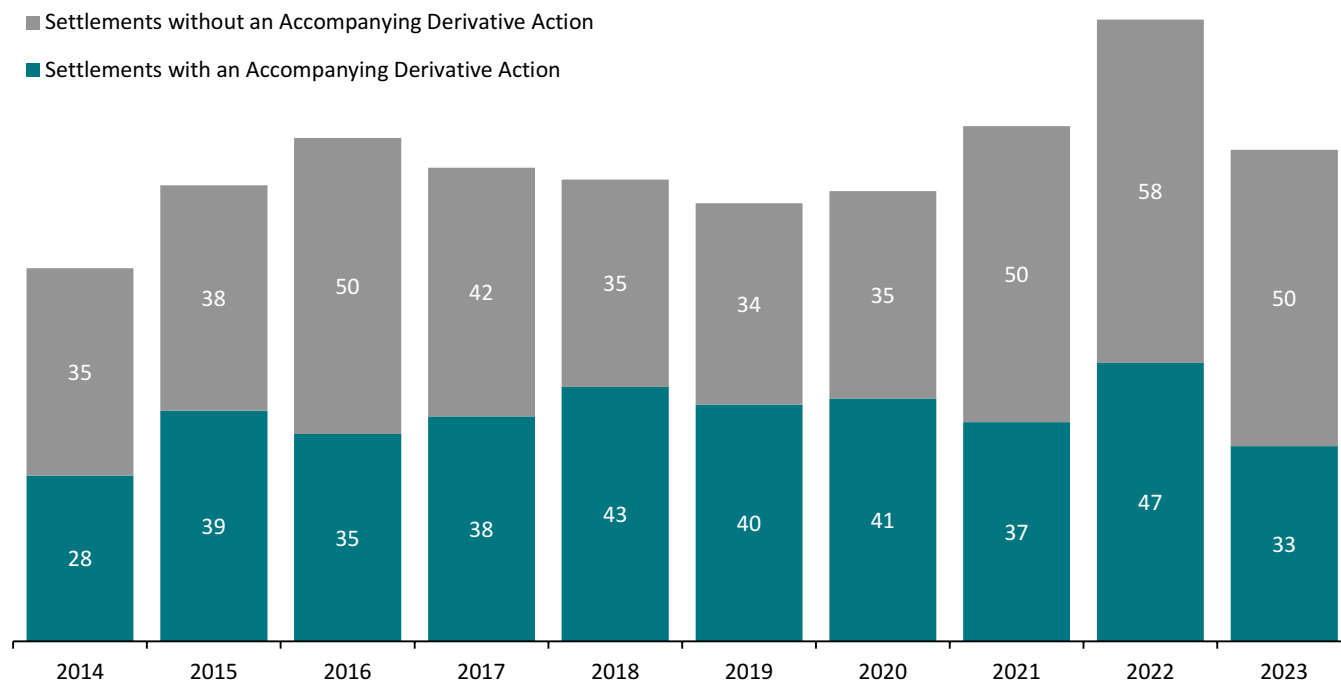
## Derivative Actions

- Securities class actions often involve accompanying (or parallel) derivative actions with similar claims, and such cases have historically settled for higher amounts than securities class actions without accompanying derivative matters.<sup>12</sup>
- The percentage of cases involving accompanying derivative actions in 2023 (40%) was the lowest since 2011, in part driven by a reduction in the number of cases filed in Delaware (13) compared to the prior four-year average (17).
- For cases settled during 2019–2023, 40% of parallel derivative suits were filed in Delaware. California and New York were the next most common venues, representing 19% and 17% of such settlements, respectively.

*In 2023, the median settlement amount for cases with an accompanying derivative action was \$21 million, over 40% higher than in 2022.*

- It is commonly understood that most parallel derivative actions do not settle for monetary amounts (other than plaintiffs’ attorney fees). However, the likelihood of a monetary settlement among parallel derivative actions is higher when the securities class action settlement is large, as shown in Cornerstone Research’s *Parallel Derivative Action Settlement Outcomes*.<sup>13</sup>

Figure 9: Frequency of Derivative Actions 2014–2023

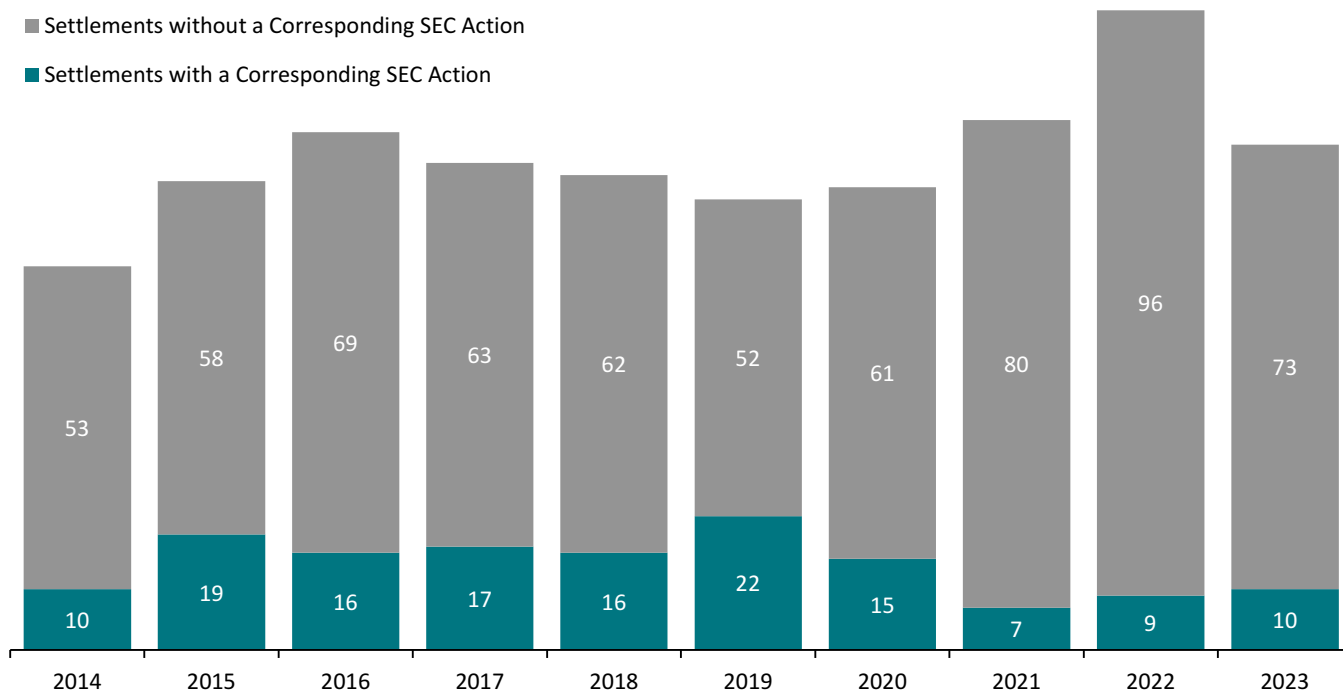


## Corresponding SEC Actions

- The percentage of settled cases in 2023 involving a corresponding SEC action was 12%. This represents a slight rebound from 2021 and 2022, when this percentage was less than 10%, but is still well below the prior nine-year average of 19%.
- Historically, cases with a corresponding SEC action have typically been associated with substantially higher settlement amounts.<sup>14</sup> However, this pattern did not hold in 2023 when, for the third time in the past 10 years, the median settlement amount for cases with a corresponding SEC action was less than that for cases without such an action.
- Among 2023 settled cases that involved a corresponding SEC action, 70% also had an institutional investor as a lead plaintiff, up from 33% in 2022.

*Over the past 10 years, nearly 75% of settled cases involving SEC actions also involved a restatement of financial statements or alleged GAAP violations.*

Figure 10: Frequency of SEC Actions  
 2014–2023



## Institutional Investors

As discussed in prior reports, increasing institutional investor participation as lead plaintiff in securities litigation was a focus of the Reform Act.<sup>15</sup> Indeed, in years following passage of the Reform Act, institutional investor involvement as lead plaintiffs did increase, particularly in cases with higher “simplified tiered damages.”

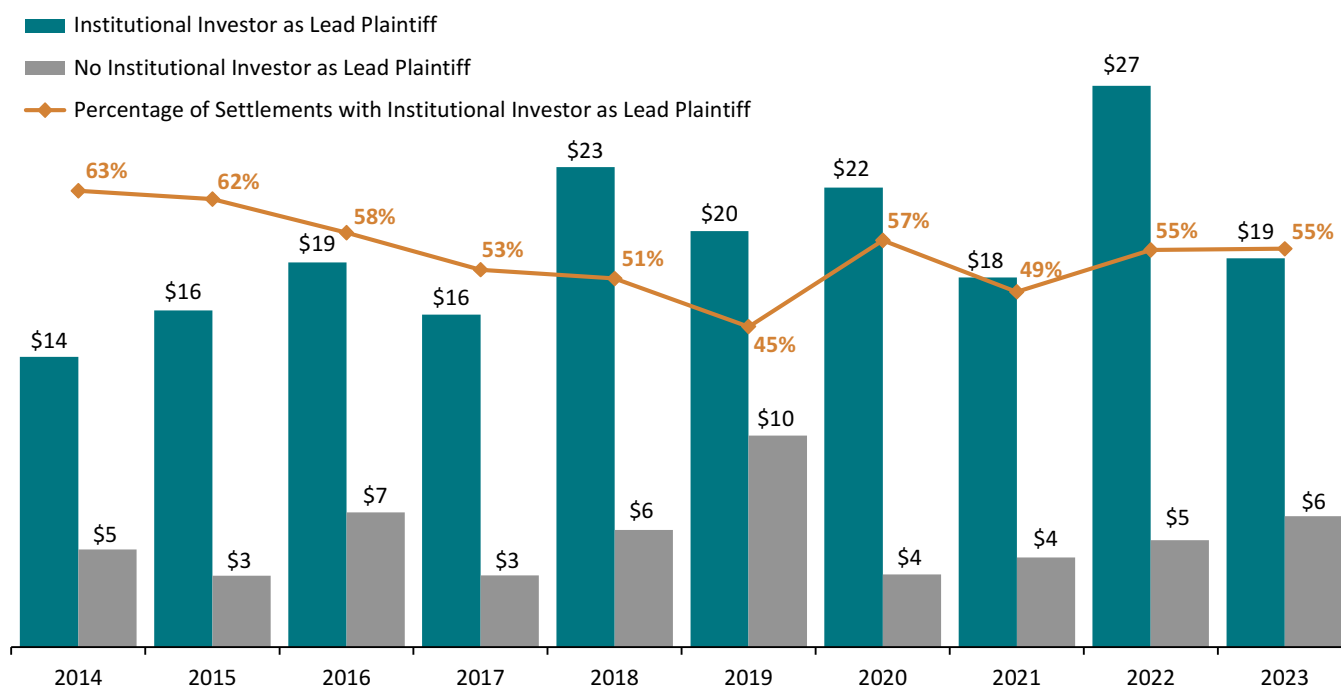
- In 2023, for cases involving an institutional investor as lead plaintiff, median “simplified tiered damages” and median total assets were two times and nine times higher, respectively, than the median values for cases without an institutional investor as a lead plaintiff.

- In 2023, a public pension plan served as lead plaintiff in nearly two-thirds of cases with an institutional lead plaintiff.
- Institutional investor participation as lead plaintiff continues to be associated with particular plaintiff counsel. For example, in 2023 an institutional investor served as a lead plaintiff in over 88% of settled cases in which Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) and/or Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”) served as lead or co-lead plaintiff counsel. In contrast, institutional investors served as lead plaintiff in 21% of cases in which The Rosen Law Firm, Pomerantz LLP, or Glancy Prongay & Murray LLP served as lead or co-lead plaintiff counsel.

*All nine mega settlements in 2023 included an institutional investor as lead plaintiff.*

Figure 11: Median Settlement Amounts and Institutional Investors 2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.



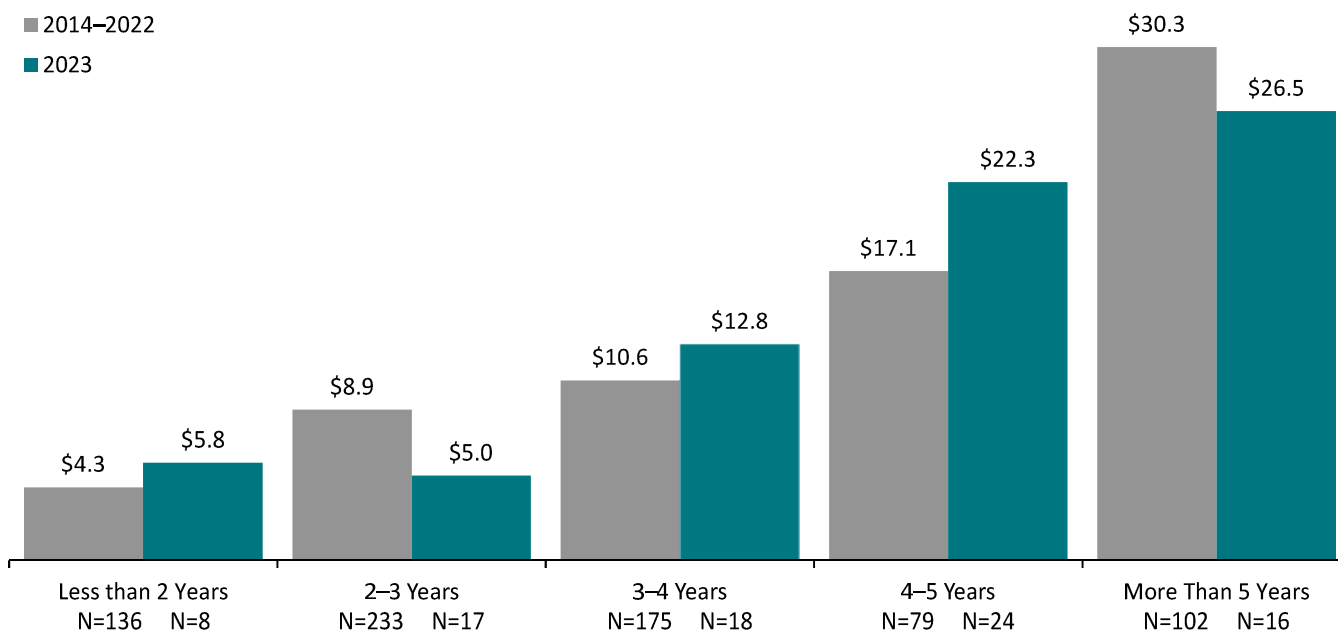
# Time to Settlement and Case Complexity

- Overall, less than one-third of cases settled in 2023 settled within three years of filing.
- Cases involving an institutional lead plaintiff continued to take longer to settle. In particular, cases settled in 2023 with an institutional lead plaintiff had a median time to settle of over 4.2 years compared to 3.4 years for cases without an institutional lead plaintiff.
- In 2023, the median time to settle for cases with GAAP allegations was almost a year longer than the median for cases without GAAP allegations.
- Historically, cases with The Rosen Law Firm, Pomerantz LLP, or Glancy Prongay & Murray LLP as lead or co-lead plaintiff counsel settled within three years of case filing. However, cases settled in 2023 with these firms acting as plaintiff counsel collectively took 3.9 years to settlement, a level reached in only one other year (2009). These three law firms were lead or co-lead plaintiff counsel in approximately 30% of cases in 2023.
- The presence of Robbins Geller as lead or co-lead plaintiff counsel is associated with a longer duration between filing and settlement. Cases settled in 2023 with Robbins Geller acting as lead or co-lead plaintiff counsel (28% of settled cases) had a median time to settle of 4.1 years compared to 3.5 years for cases in which the law firm was not involved.<sup>16</sup>
- The number of docket entries can be viewed as a proxy for the time and effort expended by plaintiff counsel and/or case complexity. Median docket entries in 2023 (142) increased only slightly from 2022 (138).

*The median time from filing to settlement hearing date in 2023 (3.7 years) was up nearly 17% from 2022.*

Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date 2014–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases.

# Case Stage at the Time of Settlement

Using data obtained through collaboration with Stanford Securities Litigation Analytics (SSLA), this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

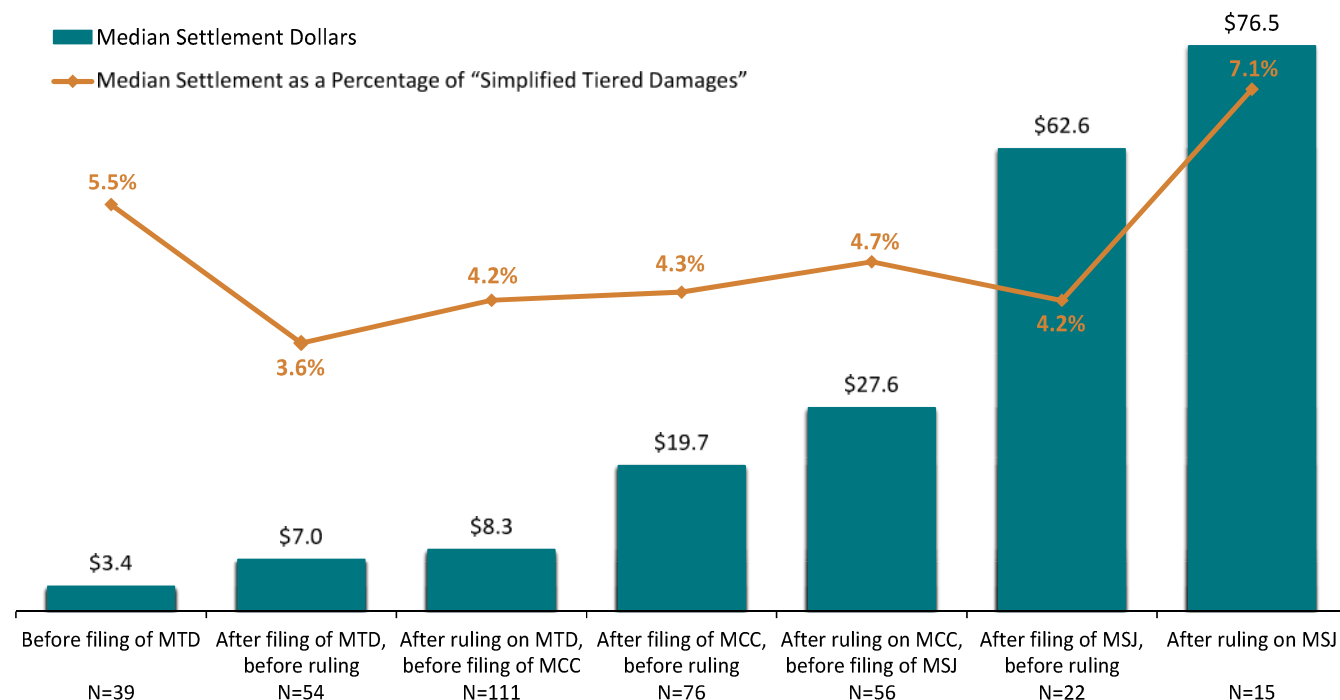
- Cases settling at later stages continue to be larger in terms of total assets and “simplified tiered damages.”
- For example, both median total assets and median “simplified tiered damages” for cases that settled in 2023 after the ruling on a motion for class certification were over two times the respective medians for cases that settled in 2023 prior to such a motion being ruled on.
- In the five-year period from 2019 through 2023, over 90% of cases settled prior to the filing of a motion for summary judgment.

- In 2023, cases settling at later stages continued to include an institutional lead plaintiff at a higher percentage. Specifically, 68% of cases that settled after the filing of a motion for class certification involved an institutional lead plaintiff compared to 41% of cases that settled prior to the filing of such a motion.

*In 2023, the percentage of cases settling prior to the filing of a motion to dismiss continued to decline—from 14% of cases in 2019 to 7% of cases in 2023.*

Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement 2019–2023

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. “N” refers to the number of cases. MTD refers to “motion to dismiss,” MCC refers to “motion for class certification,” and MSJ refers to “motion for summary judgment.” This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

# Cornerstone Research's Settlement Analysis

This research applies regression analysis to examine the relations between settlement outcomes and certain securities case characteristics. Regression analysis is employed to better understand the factors that are important for estimating what cases might settle for, given the characteristics of a particular securities class action.

## Determinants of Settlement Outcomes

Based on the research sample of cases that settled from January 2006 through December 2023, important determinants of settlement amounts include the following:

- “Simplified tiered damages”
- Maximum Dollar Loss (MDL)—the dollar-value change in the defendant issuer’s market capitalization from its class period peak to the first trading day without inflation
- The most recently reported total assets prior to the settlement hearing date for the defendant issuer
- Number of entries on the lead case docket
- Whether there were accounting allegations
- Whether there was an SEC action with allegations similar to those included in the underlying class action complaint, as evidenced by a litigation release or an administrative proceeding against the issuer, officers, directors, or other defendants
- Whether there were criminal charges against the issuer, officers, directors, or other defendants with allegations similar to those included in the underlying class action complaint
- Whether there was a derivative action with allegations similar to those included in the underlying class action complaint

- Whether, in addition to Rule 10b-5 claims, Section 11 claims were alleged and were still active prior to settlement
- Whether the issuer has been delisted from a major exchange and/or has declared bankruptcy (i.e., whether the issuer was “distressed”)
- Whether an institutional investor acted as lead plaintiff
- Whether securities other than common stock/ADR/ADS were included in the alleged class

Cornerstone Research analyses show that settlements were higher when “simplified tiered damages,” MDL, issuer defendant asset size, or the number of docket entries was larger, or when Section 11 claims were alleged in addition to Rule 10b-5 claims.

Settlements were also higher in cases involving accounting allegations, a corresponding SEC action, criminal charges, an accompanying derivative action, an institutional investor lead plaintiff, or securities in addition to common stock included in the alleged class.

Settlements were lower if the issuer was distressed.

More than 75% of the variation in settlement amounts can be explained by the factors discussed above.

## Research Sample

- The database compiled for this report is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. The sample contains only cases alleging fraudulent inflation in the price of a corporation's common stock.
- Cases with alleged classes of only bondholders, preferred stockholders, etc., cases alleging fraudulent depression in price, and mergers and acquisitions cases are excluded. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes nearly 2,200 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2023. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).<sup>17</sup>
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.<sup>18</sup> Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.<sup>19</sup>

## Data Sources

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, Refinitiv Eikon, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

# Endnotes

- <sup>1</sup> Reported dollar figures and corresponding comparisons are adjusted for inflation; 2023 dollar equivalent figures are presented in this report.
- <sup>2</sup> “Simplified tiered damages” are calculated for cases that settled in 2006 or later, following the U.S. Supreme Court’s 2005 landmark decision in *Dura Pharmaceuticals Inc. v. Broudo*, 544 U.S. 336. “Simplified tiered damages” is based on the stock-price declines associated with the alleged corrective disclosure dates that are described in the settlement plan of allocation.
- <sup>3</sup> Comparison to “all-time” refers to the inception of Cornerstone Research’s database of post–Reform Act settlements beginning in 1996.
- <sup>4</sup> The “simplified tiered damages” approach used for purposes of this settlement research does not examine the mix of information associated with the specific dates listed in the plan of allocation, but simply applies the stock price movements on those dates to an estimate of the “true value” of the stock during the alleged class period (or “value line”). This proxy for damages utilizes an estimate of the number of shares damaged based on reported trading volume and the number of shares outstanding. Specifically, reported trading volume is adjusted using volume reduction assumptions based on the exchange on which the issuer defendant’s common stock is listed. No adjustments are made to the underlying float for institutional holdings, insider trades, or short-selling activity during the alleged class period. Because of these and other simplifying assumptions, the damages measures used in settlement benchmarking may differ substantially from damages estimates developed in conjunction with case-specific economic analysis.
- <sup>5</sup> Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).
- <sup>6</sup> MDL is the dollar-value change in the defendant issuer’s market capitalization from its class period peak to the first trading day without inflation.
- <sup>7</sup> Catherine J. Galley, Nicholas D. Yavorsky, Filipe Lacerda, and Chady Gemayel, *Approved Claims Rates in Securities Class Actions: Evidence from 2015–2018 Rule 10b-5 Settlements*, Cornerstone Research (2020). Data on “plaintiff-estimated damages” is made available to Cornerstone Research through collaboration with Stanford Securities Litigation Analytics (SSLA). SSLA tracks and collects data on private shareholder securities litigation and public enforcements brought by the SEC and the U.S. Department of Justice (DOJ). The SSLA dataset includes all traditional class actions, SEC actions, and DOJ criminal actions filed since 2000. Available on a subscription basis at <https://sla.law.stanford.edu/>.
- <sup>8</sup> The statutory purchase price is the lesser of the security offering price or the security purchase price. Prior to the first complaint filing date, the statutory sales price is the price at which the security was sold. After the first complaint filing date, the statutory sales price is the greater of the security sales price or the “value” of the security on the first complaint filing date. For purposes of “simplified statutory damages,” the “value” of the security on the first complaint filing date is assumed to be the security’s closing price on this date. Similar to “simplified tiered damages,” the estimation of “simplified statutory damages” makes no adjustments to the underlying float for institutional holdings, insider trades, or short-selling activity.
- <sup>9</sup> As noted in prior reports, the March 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund (Cyan)* held that ‘33 Act claim securities class actions could be brought in state court. While ‘33 Act claim cases had often been brought in state courts before *Cyan*, filing rates in state courts increased substantially following this ruling. This trend reversed, however, following the March 2020 Delaware Supreme Court decision in *Salzberg v. Sciabacucchi* upholding the validity of federal forum-selection provisions in corporate charters. See, for example, *Securities Class Action Filings—2021 Year in Review*, Cornerstone Research (2022).
- <sup>10</sup> The two sub-categories of accounting issues analyzed in Figure 8 of this report are (1) restatements—cases involving a restatement (or announcement of a restatement) of financial statements, and (2) accounting irregularities.
- <sup>11</sup> *Accounting Class Action Filings and Settlements—2023 Review and Analysis*, Cornerstone Research, forthcoming in spring 2024.
- <sup>12</sup> To be considered an accompanying (or parallel) derivative action, the derivative action must have underlying allegations that are similar or related to the underlying allegations of the securities class action and either be active or settling at the same time as the securities class action.
- <sup>13</sup> *Parallel Derivative Action Settlement Outcomes*, Cornerstone Research (2022).
- <sup>14</sup> As noted in prior reports, it could be that the merits in such cases are stronger, or simply that the presence of a corresponding SEC action provides plaintiffs with increased leverage when negotiating a settlement. For purposes of this research, an SEC action is evidenced by the presence of a litigation release or an administrative proceeding posted on [www.sec.gov](http://www.sec.gov) involving the issuer defendant or other named defendants with allegations similar to those in the underlying class action complaint.
- <sup>15</sup> See, for example, *Securities Class Action Settlements—2006 Review and Analysis*, Cornerstone Research (2007); Michael A. Perino, “Have Institutional Fiduciaries Improved Securities Class Actions? A Review of the Empirical Literature on the PSLRA’s Lead Plaintiff Provision,” St. John’s Legal Studies Research Paper No. 12-0021 (2013).
- <sup>16</sup> Although Robbins Geller is associated with a longer duration to settlement, its presence as lead or co-lead plaintiff counsel is not associated with significantly higher settlements as a percentage of “simplified tiered damages.”
- <sup>17</sup> Available on a subscription basis. For further details see <https://www.issgovernance.com/securities-class-action-services/>.
- <sup>18</sup> Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.
- <sup>19</sup> This categorization is based on the timing of the settlement hearing date. If a new partial settlement equals or exceeds 50% of the then-current settlement fund amount, the entirety of the settlement amount is re-categorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50% of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

# Appendices

## Appendix 1: Settlement Percentiles

(Dollars in millions)

Year	Average	10th	25th	Median	75th	90th
2014	\$23.5	\$2.2	\$3.7	\$7.7	\$17.0	\$64.4
2015	\$50.6	\$1.7	\$2.8	\$8.4	\$20.9	\$120.9
2016	\$89.6	\$2.4	\$5.3	\$10.9	\$41.9	\$185.4
2017	\$22.9	\$1.9	\$3.2	\$6.5	\$19.0	\$44.0
2018	\$78.7	\$1.8	\$4.4	\$13.7	\$30.0	\$59.6
2019	\$33.6	\$1.7	\$6.7	\$13.1	\$23.8	\$59.6
2020	\$64.9	\$1.6	\$3.8	\$11.5	\$23.8	\$62.8
2021	\$23.1	\$1.9	\$3.5	\$9.3	\$20.1	\$65.9
2022	\$37.9	\$2.1	\$5.2	\$13.5	\$36.4	\$74.8
2023	\$47.3	\$3.0	\$5.0	\$15.0	\$33.3	\$101.0

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented.

## Appendix 2: Settlements by Select Industry Sectors

2014–2023

(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median “Simplified Tiered Damages”	Median Settlement as a Percentage of “Simplified Tiered Damages”
Financial	91	\$17.8	\$313.3	5.3%
Technology	106	\$9.4	\$318.2	4.3%
Pharmaceuticals	122	\$8.5	\$242.5	3.9%
Telecommunication	28	\$11.4	\$381.0	4.4%
Retail	51	\$15.2	\$350.4	4.6%
Healthcare	21	\$10.1	\$240.4	6.0%

Note: Settlement dollars and “simplified tiered damages” are adjusted for inflation; 2023 dollar equivalent figures are presented. “Simplified tiered damages” are calculated only for cases involving Rule 10b-5 claims (whether alone or in addition to other claims).

**Appendix 3: Settlements by Federal Circuit Court  
2014–2023**

(Dollars in millions)

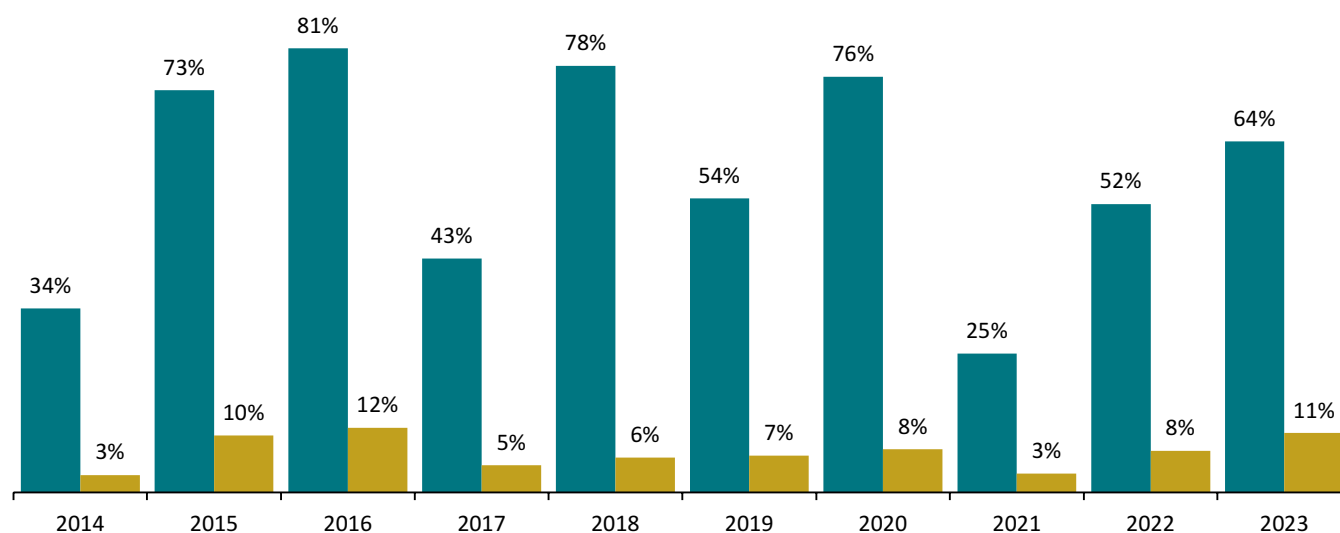
Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of “Simplified Tiered Damages”
First	20	\$14.1	2.8%
Second	212	\$8.9	4.9%
Third	85	\$7.3	4.9%
Fourth	23	\$24.5	3.9%
Fifth	38	\$11.7	4.7%
Sixth	35	\$15.8	6.7%
Seventh	40	\$18.0	3.7%
Eighth	14	\$48.3	4.6%
Ninth	190	\$9.0	4.4%
Tenth	19	\$12.4	5.3%
Eleventh	36	\$13.7	4.7%
DC	4	\$27.9	2.2%

Note: Settlement dollars are adjusted for inflation; 2023 dollar equivalent figures are presented. Settlements as a percentage of “simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

**Appendix 4: Mega Settlements  
2014–2023**

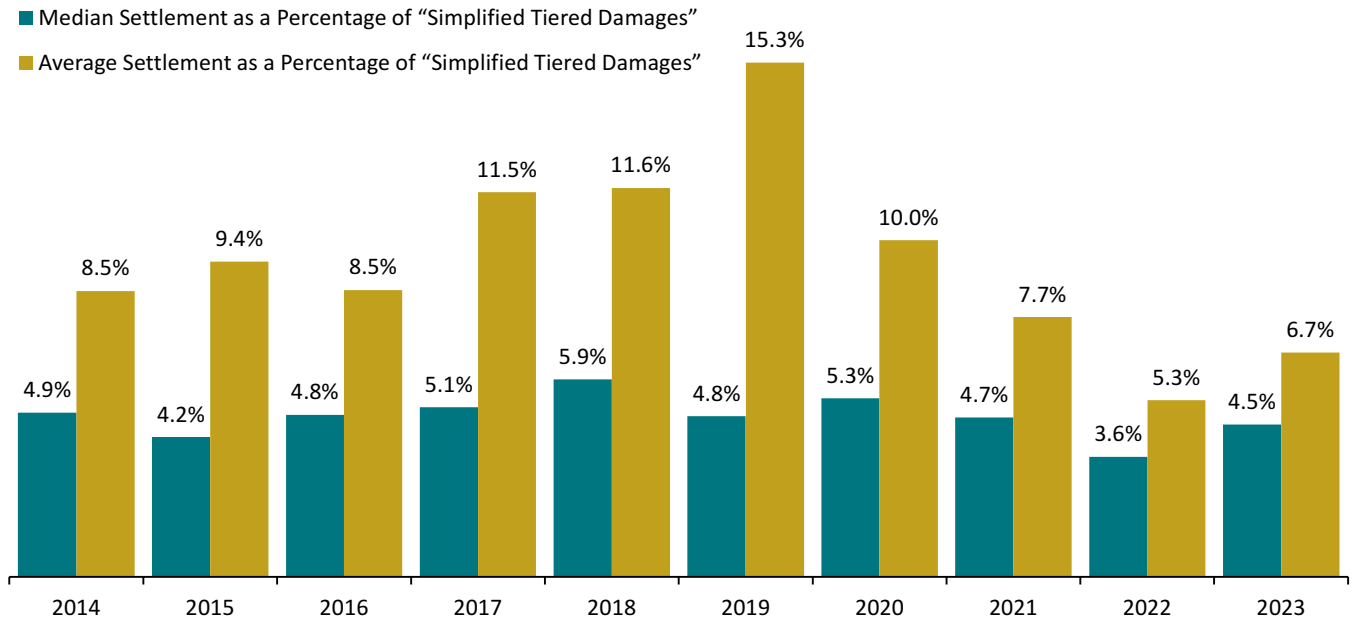
■ Total Mega Settlement Dollars as a Percentage of All Settlement Dollars

■ Number of Mega Settlements as a Percentage of All Settlements



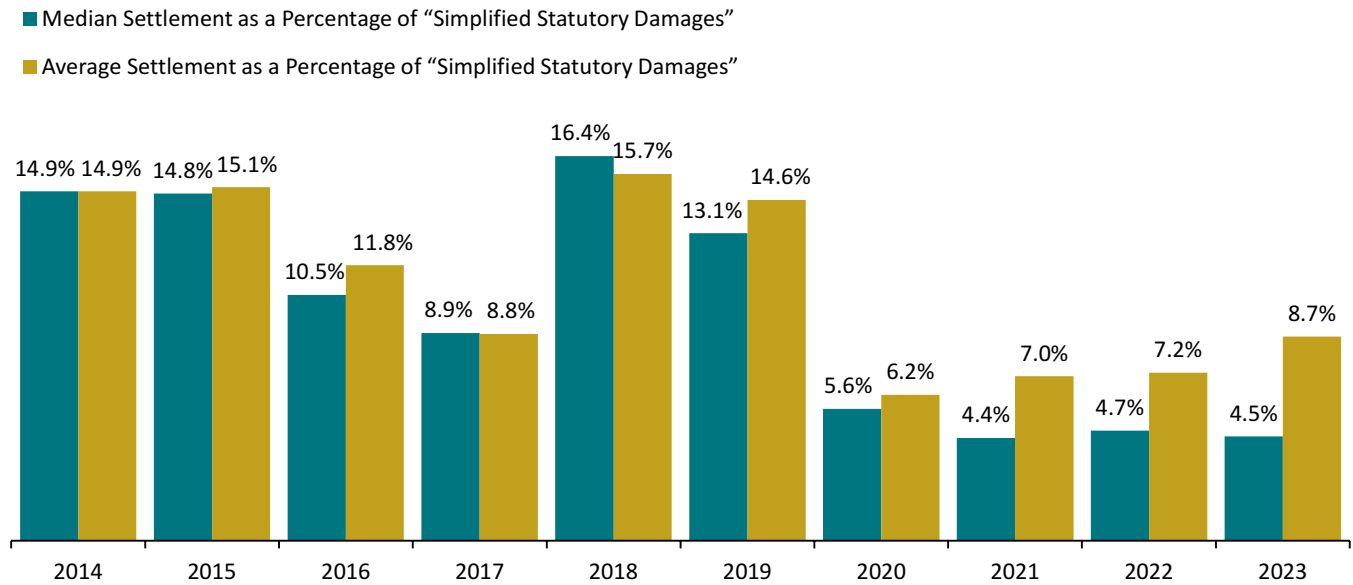
Note: Mega settlements are defined as total settlement funds equal to or greater than \$100 million.

**Appendix 5: Median and Average Settlements as a Percentage of “Simplified Tiered Damages”  
2014–2023**



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

**Appendix 6: Median and Average Settlements as a Percentage of “Simplified Statutory Damages”  
2014–2023**



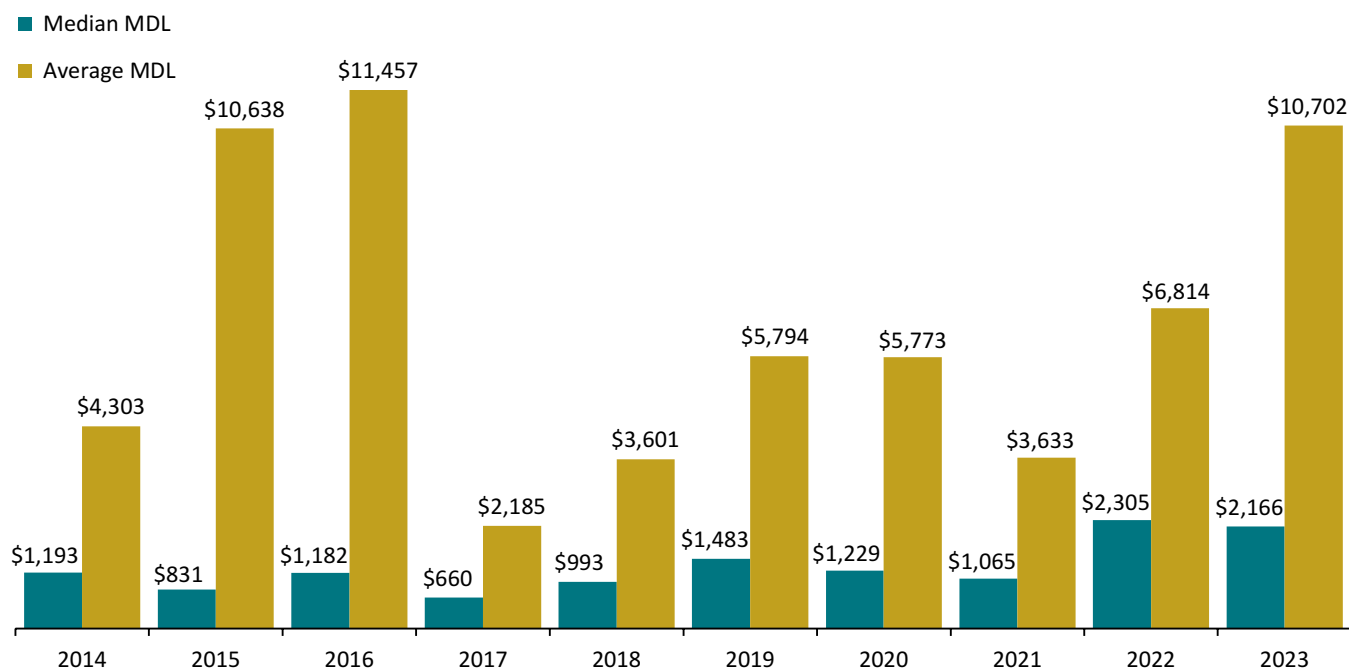
Note: “Simplified statutory damages” are calculated only for cases alleging Section 11 (’33 Act) claims and no Rule 10b-5 claims.



## Appendix 7: Median and Average Maximum Dollar Loss (MDL)

2014–2023

(Dollars in millions)

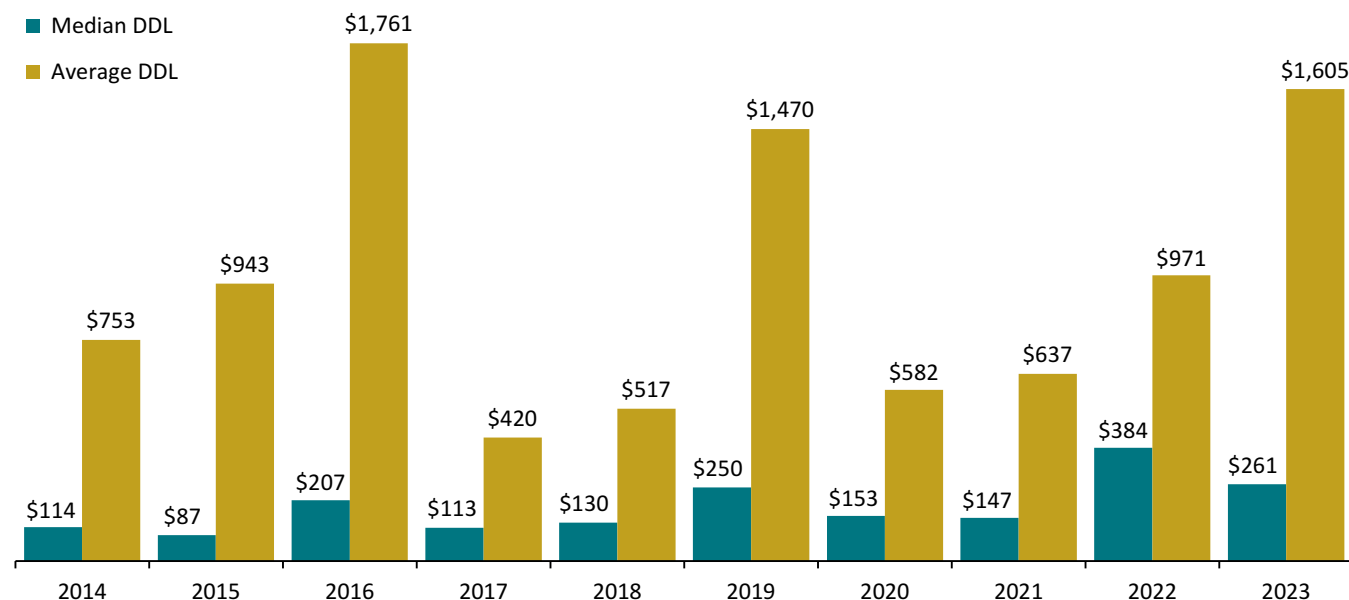


Note: MDL is adjusted for inflation based on class period end dates; 2023 dollar equivalents are presented. MDL is the dollar-value change in the defendant issuer's market capitalization from its class period peak to the first trading day without inflation. This analysis excludes cases alleging '33 Act claims only.

## Appendix 8: Median and Average Disclosure Dollar Loss (DDL)

2014–2023

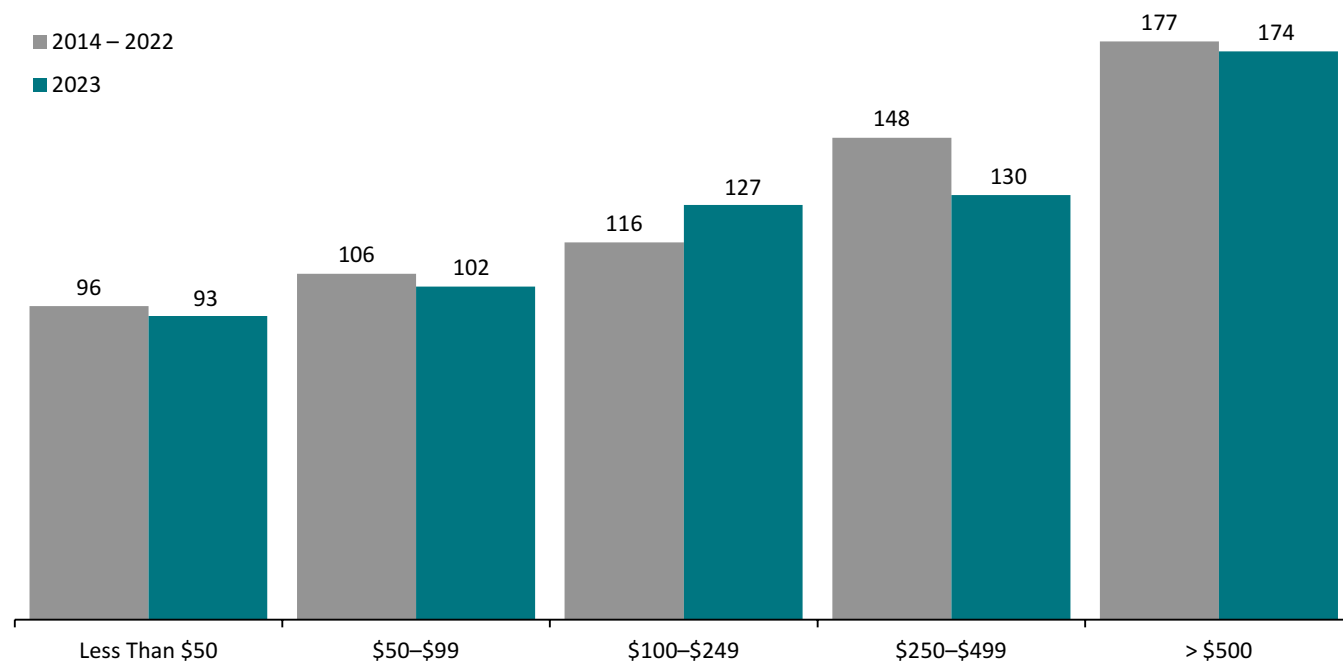
(Dollars in millions)



Note: DDL is adjusted for inflation based on class period end dates; 2023 dollar equivalents are presented. DDL is the dollar-value change in the defendant firm's market capitalization between the end of the class period to the first trading day without inflation. This analysis excludes cases alleging '33 Act claims only.

Appendix 9: Median Docket Entries by “Simplified Tiered Damages” Range  
2014–2023

(Dollars in millions)



Note: “Simplified tiered damages” are calculated only for cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

# About the Authors

## **Laarni T. Bulan**

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a principal in Cornerstone Research's Boston office, where she specializes in finance. Her work has focused on securities and other complex litigation addressing class certification, damages, and loss causation issues; mergers and acquisitions (M&A) and firm valuation; and corporate governance, executive compensation, and risk management issues. She has also consulted on cases related to insider trading, market manipulation and trading behavior, financial institutions and the credit crisis, derivatives, foreign exchange, and securities clearing and settlement.

Dr. Bulan has published notable academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

## **Laura E. Simmons**

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor with Cornerstone Research. She has more than 25 years of experience in economic consulting. Dr. Simmons has focused on damages and liability issues in securities class actions, as well as litigation involving the Employee Retirement Income Security Act (ERISA). She has also managed cases involving financial accounting, valuation, and corporate governance issues. She has served as a testifying expert in litigation involving accounting analyses, securities case damages, ERISA matters, and research on securities lawsuits.

Dr. Simmons's research on pre- and post-Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, including research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors gratefully acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update. The views expressed herein do not necessarily represent the views of Cornerstone Research.

The authors request that you reference Cornerstone Research in any reprint of the information or figures included in this report.

Please direct any questions and requests for additional information to the settlement database administrator at [settlementdatabase@cornerstone.com](mailto:settlementdatabase@cornerstone.com).

## Cornerstone Research

Cornerstone Research provides economic and financial consulting and expert testimony in all phases of complex disputes and regulatory investigations. The firm works with an extensive network of prominent academics and industry practitioners to identify the best-qualified expert for each assignment. Cornerstone Research has earned a reputation for consistently high quality and effectiveness by delivering rigorous, state-of-the-art analysis since 1989. The firm has over 900 staff in nine offices across the United States and Europe.

[www.cornerstone.com](http://www.cornerstone.com)



# **Exhibit 5**

**EXHIBIT 5**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**SUMMARY OF PLAINTIFFS' COUNSEL'S  
LODESTAR AND EXPENSES**

<b>Exhibit</b>	<b>FIRM</b>	<b>HOURS</b>	<b>LODESTAR</b>	<b>EXPENSES</b>
5A	Bernstein Litowitz Berger & Grossmann LLP	4,285.50	\$2,769,206.25	\$70,647.75
5B	Saxena White P.A	4,706.00	\$2,720,882.50	\$57,887.91
5C	Donnelly, Conroy & Gelhaar, LLP	46.70	\$39,195.00	\$1,212.54
5D	Davidson Bowie, PLLC	78.25	\$27,387.50	\$0.00
	<b>TOTAL:</b>	<b>9,116.45</b>	<b>\$5,556,671.25</b>	<b>\$129,748.20</b>

# **Exhibit 5A**

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF JOHN RIZIO-HAMILTON ON BEHALF OF BERNSTEIN  
LITOWITZ BERGER & GROSSMANN LLP IN SUPPORT OF LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

I, JOHN RIZIO-HAMILTON, hereby declare as follows:

1. I am a Partner in the law firm of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G"). I submit this Declaration in support of Lead Counsel's motion for an award of attorneys' fees in connection with services rendered by Plaintiffs' Counsel in the above-captioned securities class action ("Action"), as well as for payment of Litigation Expenses incurred by my firm in connection with the Action.<sup>1</sup> Unless otherwise stated, I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. My firm, as co-Lead Counsel for Lead Plaintiff and the Settlement Class, was involved in all aspects of the prosecution and resolution of the Action, as set forth in the Joint

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement dated September 6, 2024 (ECF No. 72-1).



Declaration of Joshua H. Saltzman and John Rizio-Hamilton in Support of (I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses.

3. The schedule attached hereto as Exhibit 1 is a detailed summary of the amount of time spent by each BLB&G attorney and professional support staff employee who devoted ten (10) or more hours to the Action from its inception through and including October 31, 2024, and the lodestar calculation for those individuals based on their current hourly rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the hourly rates for such personnel in their final year of employment with my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by BLB&G. All time expended in preparing this application for fees and expenses has been excluded.

4. The number of hours expended by BLB&G in the Action, from inception through October 31, 2024, as reflected in Exhibit 1, is 4,285.50. The lodestar for my firm, as reflected in Exhibit 1, is \$2,769,206.25.

5. The hourly rates for the BLB&G attorneys and professional support staff employees included in Exhibit 1 are their standard rates and are the same as, or comparable to, the rates submitted by my firm and accepted by courts for lodestar cross-checks in other class action fee applications. *See, e.g., In re Grand Canyon Educ., Inc. Sec. Litig.*, No. 20-639-JHL-CJB (D. Del. Aug. 22, 2024), ECF No. 155 (approving fee based on lodestar cross-check using BLB&G's current rates); *In re James River Grp. Holdings Ltd. Sec. Litig.*, No. 3:21-cv-444 (DJN) (E.D. Va. May 24, 2024), ECF No. 131 (same); *In re Boston Scientific Corp. Sec. Litig.*, No. 1:20-cv-12225-ADB (D. Mass. April 23, 2024), ECF 166 (approving fee based on lodestar cross-check using BLB&G's 2023 rates); *In re BioMarin Pharm. Inc. Sec. Litig.*, Case No. 20-cv-06719-WHO (N.D. Cal. Nov. 14, 2023), ECF No. 155 (same); *In re Kraft Heinz Sec. Litig.*, Case No. 1:19-cv-

01339 (N.D. Ill. Sept. 19, 2023), ECF No. 493 (same); *In re Wells Fargo & Co. Sec. Litig.*, No. 1:20-cv-04494- JLR-SN (S.D.N.Y. Sept. 8, 2023), ECF No. 206 (same), *In re Synchrony Fin. Sec. Litig.*, 2023 WL 4992933, at \*11 (D. Conn. Aug. 4, 2023) (same); *see also Godinez v. Alere, Inc.*, No. 1:16-cv-10766-PBS, slip op. at 1 (D. Mass. June 6, 2019), ECF No. 283 (approving fee based on lodestar cross-check using BLB&G's 2019 rates in lodestar cross-check); *Levy v. Gutierrez*, Civil No. 14-cv-443-JL, slip op. at 28-29 (D.N.H. Aug. 27, 2020), ECF No. 266 (approving fee using BLB&G's 2018 rates in lodestar cross-check).

6. My firm's rates are set based on periodic analysis of rates used by firms performing comparable work and that have been approved by courts. Different timekeepers within the same employment category (*e.g.*, Partners, Associates, Paralegals, etc.) may have different rates based on a variety of factors, including years of practice, years at the firm, year in the current position (*e.g.*, years as a Partner), relevant experience, relative expertise, and the rates of similarly experienced peers at our firm or other firms.

7. BLB&G reviewed its time and expense records to prepare this Declaration. The purpose of this review was to confirm both the accuracy of the time entries and expenses and the necessity for, and reasonableness of, the time and expenses committed to the litigation. I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought as stated in this Declaration are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the litigation.

8. As set forth in Exhibit 2 hereto, BLB&G is seeking payment for \$70,647.75 in expenses incurred in connection with the prosecution and resolution of the Action. Expense items are reported separately and are not duplicated in my firm's hourly rates. The following is additional information regarding certain of these expenses:

a. **Experts & Consultants** (\$23,862.50). As discussed in the Joint Declaration, Lead Plaintiff retained and consulted with several highly qualified experts to assist in the prosecution of this Action. BLB&G's expense report includes 50% of expenses incurred in connection with retention of Steven Feinstein of Crowinshield Financial Research, Lead Plaintiff's principal expert on financial economics, including loss causation and damages.

b. **Online Factual Research** (\$8,913.62) and **Online Legal Research** (\$19,303.41). The charges reflected are for out-of-pocket payments to vendors such as Westlaw, Lexis/Nexis, Bureau of National Affairs, Court Alert, and PACER for research done in connection with this litigation. These resources were used to obtain access to court filings, to conduct legal research and cite-checking of briefs, and to obtain factual information regarding the claims asserted and to locate potential witnesses through access to various financial databases and other factual databases. These expenses represent the actual expenses incurred by BLB&G for use of these services in connection with this litigation. There are no administrative charges included in these figures. Online research is billed to each case based on actual usage at a charge set by the vendor. When BLB&G utilizes online services provided by a vendor with a flat-rate contract, access to the service is by a billing code entered for the specific case being litigated. At the end of each billing period, BLB&G's costs for such services are allocated to specific cases based on the percentage of use in connection with that specific case in the billing period.

c. **Document Management & Litigation Support** (\$2,517.00). This category of costs includes \$2,517.00 for costs incurred by BLB&G associated with establishing and maintaining the internal document database that was used by Lead Counsel to process and review the substantial volume of documents produced by

Defendants and non-parties in this Action. BLB&G charges a rate of \$4 per gigabyte of data per month and \$17 per user to recover the costs associated with maintaining its document database management system, which includes the costs to BLB&G of necessary software licenses and hardware. BLB&G has conducted a review of market rates charged for the similar services performed by third-party document management vendors and found that its rate was at least 80% below the market rates charged by these vendors, resulting in a savings to the class.

d. **Mediation** (\$7,825.00). BLB&G paid 50% of Lead Plaintiff's share of fees paid to Phillips ADR for the services of the mediator, Greg Danilow. Mr. Danilow conducted the formal mediation session on August 14, 2024 and facilitated additional settlement negotiations in the week following the mediation.

e. **Out-of-Town Travel** (\$6,385.57). BLB&G seeks reimbursement of \$6,385.57 in costs incurred in connection with travel in connection with the Action, which includes costs for attorneys at BLB&G to travel to the mediation session and Court hearings, including the scheduled final approval hearing in December. Airfare is at coach rates, hotel charges per night are capped at \$350; and travel meals are capped at \$20 per person for breakfast, \$25 per person for lunch, and \$50 per person for dinner.

f. **Working Meals** (\$434.55). Out of office working meals are capped at \$25 per person for lunch and \$50 per person for dinner; and in-office working meals are capped at \$25 per person for lunch and \$40 per person for dinner.

9. The expenses incurred by BLB&G in the Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. I believe these expenses were reasonable and expended for the benefit of the Settlement Class in the Action.

10. With respect to the standing of my firm, attached hereto as Exhibit 3 is a firm résumé, which includes information about my firm and biographical information concerning the firm's attorneys.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on November 11, 2024.

*/s John Rizio-Hamilton*  
JOHN RIZIO-HAMILTON

**EXHIBIT 1**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP****TIME REPORT**

From Inception Through October 31, 2024

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Partners</b>			
Scott Foglietta	82.00	\$975	\$79,950.00
John Rizio-Hamilton	258.25	\$1,250	\$322,812.50
Hannah Ross	27.75	\$1,250	\$34,687.50
Gerald Silk	57.50	\$1,350	\$77,625.00
Jonathan Uslander	348.50	\$1,050	\$365,925.00
<b>Senior Counsel</b>			
Alec Coquin <sup>2</sup>	324.00	\$875	\$283,500.00
David L. Duncan	68.50	\$875	\$59,937.50
Michael Mathai	211.00	\$875	\$184,625.00
John Mills	15.75	\$875	\$13,781.25
<b>Associates</b>			
Brittney Balsler	117.25	\$525	\$61,556.25
Caitlin Bozman	337.75	\$525	\$177,318.75
Mathews de Carvalho	267.50	\$525	\$140,437.50
<b>Senior Staff Attorneys</b>			
Matt Mulligan	126.25	\$450	\$56,812.50
Damien Puniello	280.50	\$450	\$126,225.00
Megan Taggart	403.25	\$450	\$181,462.50

<sup>2</sup> Alec Coquin, who previously worked at Saxena White P.A., joined BLB&G as a Senior Counsel in April 2023. This chart reflects only Mr. Coquin's time while at BLB&G. The time he expended while at Saxena White is included in that firm's lodestar chart.

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Staff Attorneys</b>			
Colleen Delaney	103.25	\$425	\$43,881.25
Kesav Wable	443.50	\$425	\$188,487.50
<b>Director of Investor Services</b>			
Adam Weinschel	32.00	\$625	\$20,000.00
<b>Financial Analysts</b>			
Milana Babic	24.00	\$425	\$10,200.00
Nick DeFilippis	42.00	\$675	\$28,350.00
Tanjila Sultana	33.50	\$500	\$16,750.00
<b>Investigators</b>			
Amy Bitkower	54.75	\$625	\$34,218.75
John Deming	233.75	\$450	\$105,187.50
Jacob Foster	18.00	\$350	\$6,300.00
<b>Litigation Support</b>			
Roberto Santamarina	11.00	\$475	\$5,225.00
<b>Case Managers &amp; Paralegals</b>			
Janielle Lattimore	20.50	\$425	\$8,712.50
Khristine De Leon	39.50	\$400	\$15,800.00
Matthew Mahady	35.75	\$400	\$14,300.00
Toby Saviano	131.50	\$400	\$52,600.00
Yulia Tsoy	45.00	\$325	\$14,625.00
Melody Yaghoubzadeh	57.50	\$400	\$23,000.00
<b>Docket Clerk</b>			
Jessica Lacon	10.00	\$400	\$4,000.00
<b>Managing Clerk</b>			
Mahiri Buffong	24.25	\$450	\$10,912.50
<b>TOTALS:</b>	<b>4,285.50</b>		<b>\$2,769,206.25</b>

**EXHIBIT 2**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP****EXPENSE REPORT**

<b>CATEGORY</b>	<b>AMOUNT</b>
On-Line Legal Research	\$8,913.62
On-Line Factual Research	\$19,303.41
Document Management/Litigation Support	\$2,517.00
Telephone	\$370.64
Postage & Express Mail	\$66.59
Local Transportation	\$368.87
Out of Town Travel	\$6,385.57
Working Meals	\$434.55
Court Reporters & Transcripts	\$600.00
Experts & Consultants	\$23,862.50
Mediation Fees	\$7,825.00
<b>TOTAL EXPENSES:</b>	<b>\$70,647.75</b>



**EXHIBIT 3**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**

**FIRM RESUME**



*Bernstein Litowitz Berger & Grossmann LLP*  
*Attorneys at Law*

# Firm Resume

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*Since our founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has obtained more than \$40 billion in recoveries on behalf of investors. The firm has obtained some of the largest settlements ever agreed to by public companies related to securities fraud, including six of the 15 largest in history. Working with our clients, we have also used the litigation process to achieve precedent-setting reforms that have increased market transparency, held wrongdoers accountable, and improved corporate business practices in groundbreaking ways.*

## Firm Overview

Bernstein Litowitz Berger & Grossmann LLP (BLB&G), a national law firm with offices located in New York, California, Delaware, Louisiana, and Illinois, prosecutes class and private actions on behalf of individual and institutional clients. The firm's litigation practice areas include securities class and direct actions in federal and state courts; corporate governance and shareholder rights litigation, including claims for breach of fiduciary duty and proxy violations; mergers and acquisitions and transactional litigation; alternative dispute resolution; and distressed debt and bankruptcy. We also handle, on behalf of major institutional clients and lenders, more general complex commercial litigation involving allegations of breach of contract, accountants' liability, breach of fiduciary duty, fraud, and negligence.

We are the nation's leading firm representing institutional investors in securities fraud class action litigation. The firm's institutional client base includes U.S. public pension funds the New York State Common Retirement Fund; the California Public Employees' Retirement System (CalPERS); the Los Angeles County Employees Retirement Association; the Chicago Municipal, Police and Labor Retirement Systems; the Teacher Retirement System of Texas; the Arkansas Teacher Retirement System; the Florida State Board of Administration; the Public Employees' Retirement System of Mississippi; the New York State Teachers' Retirement System; the Ohio Public Employees Retirement System; the State Teachers Retirement System of Ohio; the Oregon Public Employees Retirement System; the Virginia Retirement System; the Louisiana School, State, Teachers and Municipal Police Retirement Systems; the Public School Teachers' Pension and Retirement Fund of Chicago; the New Jersey Division of Investment of the Department of the Treasury; TIAA-CREF and other private institutions; as well as numerous other public and Taft-Hartley pension entities. Our European client base includes APG; Aegon AM; ATP; Blue Sky Group; Hermes IM; Robeco; SEB; Handelsbanken; Nykredit; PGB; and PGGM, among others.

## More Top Securities Recoveries Than Any Other Firm

Since its founding in 1983, BLB&G has prosecuted some of the most complex cases in history and obtained more than \$40 billion on behalf of investors. The firm has negotiated and obtained many of the largest securities recoveries in history, including:

- *In re WorldCom, Inc. Securities Litigation – \$6.19 billion recovery*
- *In re Cendant Corporation Securities Litigation – \$3.3 billion recovery*
- *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation – \$2.43 billion recovery*

- *In re Allianz Global Investors U.S. Litigation* – More than \$2 billion recovered in a series of direct actions
- *In re Nortel Networks Corporation Securities Litigation (Nortel II)* – \$1.07 billion recovery
- *In re Merck & Co., Inc. Securities Litigation* – \$1.06 billion recovery
- *In re McKesson HBOC, Inc. Securities Litigation* – \$1.05 billion recovery
- *In re Wells Fargo & Company Securities Litigation* – \$1.00 billion recovery

Based on our record of success, BLB&G has been at the top of the rankings by ISS Securities Class Action Services (ISS-SCAS), a leading industry research publication that provides independent and objective third-party analysis and statistics on securities-litigation law firms, since its inception. In its most recent report, [Top 100 U.S. Class Action Settlements of All-Time](#), ISS-SCAS once again ranked BLB&G as the top firm in the field for the 14th year in a row. BLB&G has served as lead or co-lead counsel in 38 of the ISS-SCAS's top 100 U.S. securities-fraud settlements—significantly more than any other firm—and recovered over \$27 billion for investors in those cases, nearly \$9 billion more than any other plaintiffs' securities firm.

## Giving Shareholders a Voice and Changing Business Practices for the Better

BLB&G was among the first law firms ever to obtain meaningful corporate governance reforms through litigation. In courts throughout the country, we prosecute shareholder class and derivative actions, asserting claims for breach of fiduciary duty and proxy violations wherever the conduct of corporate officers and/or directors, or M&A transactions, seeks to deprive shareholders of fair value, undermine shareholder voting rights, or allow management to profit at the expense of shareholders.

We have prosecuted seminal cases establishing precedent that has increased market transparency, held wrongdoers accountable, addressed issues in the boardroom and executive suite, challenged unfair deals, and improved corporate business practices in groundbreaking ways. We have confronted a variety of questionable, unethical, and proliferating corporate practices, setting new standards of director independence, restructuring board practices in the wake of persistent illegal conduct, challenging the improper use of defensive measures and deal protections for management's benefit, and confronting stock options backdating abuses and other self-dealing by executives.

## Practice Areas

### Securities Fraud Litigation

Securities fraud litigation is the cornerstone of the firm's litigation practice. Since its founding, the firm has had the distinction of having tried and prosecuted many of the most high-profile securities fraud class actions in history, recovering billions of dollars and obtaining unprecedented corporate governance reforms on behalf of our clients. BLB&G continues to play a leading role in major securities litigation pending in federal and state courts, and the firm remains one of the nation's leaders in representing institutional investors in securities fraud class litigation.

The firm also pursues direct actions in securities fraud cases, when appropriate. By selectively opting out of certain securities class actions, we seek to resolve our clients' claims efficiently and for substantial multiples of what they might otherwise recover from related class action settlements.

Our attorneys have extensive experience in the laws that regulate the securities markets and in the disclosure requirements of corporations that issue publicly traded securities. Many also have accounting backgrounds. The group has access to state-of-the-art, online financial wire services and databases, which enable it to instantaneously investigate any potential securities fraud action involving a public company's debt and equity securities. Biographies for our attorneys can be accessed on the firm's website by clicking [here](#).

### Corporate Governance and Shareholder Rights

Our Corporate Governance and Shareholder Rights attorneys prosecute derivative actions, claims for breach of fiduciary duty, and proxy violations on behalf of individual and institutional investors in state and federal courts throughout the country. We have prosecuted actions challenging numerous highly publicized corporate transactions that violated fair process, fair price, and the applicability of the business judgment rule, and have also addressed issues of corporate waste, shareholder voting rights claims, and executive compensation.

Our attorneys have prosecuted numerous cases regarding the improper "backdating" of executive stock options that resulted in windfall undisclosed compensation to executives at the direct expense of shareholders—and returned hundreds of millions of dollars to company coffers. We also represent institutional clients in lawsuits seeking to enforce fiduciary obligations in connection with mergers and acquisitions and going-private transactions that deprive shareholders of fair value when participants buy companies from their public shareholders "on the cheap." Although enough shareholders accept the consideration offered for the transaction to close, many sophisticated investors correctly recognize and ultimately enjoy the increased returns to be obtained by pursuing appraisal rights and demanding that courts assign a "true value" to the shares taken private in these transactions.

Our attorneys are well versed in changing SEC rules and regulations on corporate governance issues and have a comprehensive understanding of a wide variety of corporate law transactions and both substantive and courtroom expertise in the specific legal areas involved. As a result of the firm's high-profile and widely recognized capabilities, our attorneys are increasingly in demand with institutional investors who are exercising a more assertive voice with corporate boards regarding corporate governance issues and the boards' accountability to shareholders.

## Distressed Debt and Bankruptcy

BLB&G has obtained billions of dollars through litigation on behalf of bondholders and creditors of distressed and bankrupt companies, as well as through third-party litigation brought by bankruptcy trustees and creditors' committees against auditors, appraisers, lawyers, officers and directors, and other defendants who may have contributed to client losses. As counsel, we advise institutions and individuals nationwide in developing strategies and tactics to recover assets presumed lost as a result of bankruptcy. Our record in this practice area is characterized by extensive trial experience in addition to successful settlements.

## Commercial Litigation

BLB&G provides contingency fee representation in complex business litigation and has obtained substantial recoveries on behalf of investors, corporations, bankruptcy trustees, creditor committees, and other business entities. We have faced down the most powerful and well-funded law firms and defendants in the country—and consistently prevailed. For example, on behalf of the bankruptcy trustee, the firm prosecuted *BFA Liquidation Trust v. Arthur Andersen*, arising from the largest nonprofit bankruptcy in U.S. history. After two years of litigation and a week-long trial, the firm obtained a \$217 million recovery from Andersen for the Trust. Combined with other recoveries, the total amounted to more than 70 percent of the Trust's losses.

Having obtained huge recoveries with nominal out-of-pocket expenses and fees of less than 20 percent, we have repeatedly demonstrated that valuable claims are best prosecuted by a first-rate litigation firm on a contingent basis at negotiated percentages. Legal representation need not compound the risk and high cost inherent in today's complex and competitive business environment. We are paid only if we (and our clients) win. The result: the highest quality legal representation at a fair price.

## Alternative Dispute Resolution

BLB&G offers clients an accomplished team and a creative venue in which to resolve conflicts outside of the litigation process. We have experience in U.S. and international disputes, and our attorneys have led complex business-to-business arbitrations and mediations domestically and abroad, representing clients before all the major arbitration tribunals, including the American Arbitration Association, FINRA, JAMS, International Chamber of Commerce, and the London Court of International Arbitration.

Our lawyers have successfully arbitrated cases that range from complex business-to-business disputes to individuals' grievances with employers. It is our experience that in some cases, a well-executed arbitration process can resolve disputes faster, with limited appeals and a higher level of confidentiality than public litigation.

In the wake of the credit crisis, for example, we successfully represented numerous former executives of a major financial institution in arbitrations relating to claims for compensation. We have also assisted clients with disputes involving failure to honor compensation commitments, disputes over the purchase of securities, businesses seeking compensation for uncompleted contracts, and unfulfilled financing commitments.

## Feedback from the Courts

Throughout the firm's history, many courts have recognized the professional excellence and diligence of the firm and its members. A few examples are set forth below.

### *In re WorldCom, Inc. Securities Litigation*

- The Honorable Denise Cote of the United States District Court for the Southern District of New York

"I have the utmost confidence in plaintiffs' counsel...they have been doing a superb job...The Class is extraordinarily well represented in this litigation."

"The magnitude of this settlement is attributable in significant part to Lead Counsel's advocacy and energy...The quality of the representation given by Lead Counsel...has been superb...and is unsurpassed in this Court's experience with plaintiffs' counsel in securities litigation."

"Lead Counsel has been energetic and creative...Its negotiations with the Citigroup Defendants have resulted in a settlement of historic proportions."

\* \* \*

### *In re Clarent Corporation Securities Litigation*

- The Honorable Charles R. Breyer of the United States District Court for the Northern District of California

"It was the best tried case I've witnessed in my years on the bench...."

"[A]n extraordinarily civilized way of presenting the issues to you [the jury]...We've all been treated to great civility and the highest professional ethics in the presentation of the case..."

"These trial lawyers are some of the best I've ever seen."

\* \* \*

### *Landry's Restaurants, Inc. Shareholder Litigation*

- Vice Chancellor J. Travis Laster of the Delaware Court of Chancery

"I do want to make a comment again about the excellent efforts...put into this case...This case, I think, shows precisely the type of benefits that you can achieve for stockholders and how representative litigation can be a very important part of our corporate governance system...you hold up this case as an example of what to do."

\* \* \*

### *McCall V. Scott (Columbia/HCA Derivative Litigation)*

- The Honorable Thomas A. Higgins of the United States District Court for the Middle District of Tennessee

"Counsel's excellent qualifications and reputations are well documented in the record, and they have litigated this complex case adeptly and tenaciously throughout the six years it has been pending. They assumed an enormous risk and have shown great patience by taking this case on a contingent basis, and despite an early setback they have persevered and brought about not only a large cash settlement but sweeping corporate reforms that may be invaluable to the beneficiaries."



## Significant Recoveries

BLB&G has successfully identified, investigated, and prosecuted many of the most significant securities and shareholder actions in history, recovering billions of dollars on behalf of defrauded investors and obtaining groundbreaking corporate-governance reforms. These resolutions include eight recoveries of over \$1 billion, more than any other firm in our field. Examples of cases with our most significant recoveries include:

### Securities Fraud Litigation

**Case:** *In re WorldCom, Inc. Securities Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$6.19 billion securities fraud class action recovery—the second largest in history; unprecedented recoveries from Director Defendants.

**Case Summary:** Investors suffered massive losses in the wake of the financial fraud and subsequent bankruptcy of former telecom giant WorldCom. This litigation alleged that WorldCom and others disseminated false and misleading statements to the investing public regarding its earnings and financial condition in violation of the federal securities and other laws. It further alleged a nefarious relationship between Citigroup subsidiary Salomon Smith Barney and WorldCom, carried out primarily by Salomon employees involved in providing investment banking services to WorldCom, and by WorldCom's former CEO and CFO. As Court-appointed Co-Lead Counsel representing Lead Plaintiff the New York State Common Retirement Fund, we obtained unprecedented settlements totaling more than \$6 billion from the Investment Bank Defendants who underwrote WorldCom bonds, including a \$2.575 billion cash settlement to settle all claims against the Citigroup Defendants. On the eve of trial, the 13 remaining "Underwriter Defendants," including J.P. Morgan Chase, Deutsche Bank, and Bank of America, agreed to pay settlements totaling nearly \$3.5 billion to resolve all claims against them. Additionally, the day before trial was scheduled to begin, the former WorldCom Director Defendants agreed to pay over \$60 million to settle the claims against them. An unprecedented first for outside directors, \$24.75 million of that amount came out of the pockets of the individuals—20% of their collective net worth. *The Wall Street Journal*, in its coverage, profiled the settlement as having "shaken Wall Street, the audit profession and corporate boardrooms." After four weeks of trial, Arthur Andersen, WorldCom's former auditor, settled for \$65 million. Subsequent settlements were reached with the former executives of WorldCom, and then with Andersen, bringing the total obtained for the Class to over \$6.19 billion.

**Case:** *In re Cendant Corporation Securities Litigation*

**Court:** United States District Court for the District of New Jersey

**Highlights:** \$3.3 billion securities fraud class action recovery—the third largest in history; significant corporate governance reforms obtained.

**Summary:** The firm was Co-Lead Counsel in this class action against Cendant Corporation, its officers and directors and Ernst & Young (E&Y), its auditors, for their role in disseminating materially false and misleading financial statements concerning the company's revenues, earnings and expenses for its 1997 fiscal year. As a result of companywide accounting irregularities, Cendant restated its financial results for its 1995, 1996, and 1997 fiscal years and all fiscal quarters therein. Cendant agreed to settle the action for \$2.8 billion and to adopt some of the most extensive corporate governance changes in history. E&Y settled for \$335 million. These settlements remain the largest sums ever recovered from a public company and a public accounting firm through securities class action litigation. BLB&G represented Lead Plaintiffs CalPERS, the New York State Common Retirement Fund, and the New York City Pension Funds, the three largest public pension funds in America, in this action.

**Case:** *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$2.425 billion in cash; significant corporate governance reforms to resolve all claims. This recovery is by far the largest shareholder recovery related to the subprime meltdown and credit crisis; the single largest securities class action settlement ever resolving a Section 14(a) claim—the federal securities provision designed to protect investors against misstatements in connection with a proxy solicitation; the largest ever funded by a single corporate defendant for violations of the federal securities laws; the single largest settlement of a securities class action in which there was neither a financial restatement involved nor a criminal conviction related to the alleged misconduct; and one of the 10 largest securities class action recoveries in history.

**Summary:** The firm represented Co-Lead Plaintiffs the State Teachers Retirement System of Ohio, the Ohio Public Employees Retirement System, and the Teacher Retirement System of Texas in this securities class action filed on behalf of shareholders of Bank of America Corporation (BAC) arising from BAC's 2009 acquisition of Merrill Lynch & Co. The action alleges that BAC, Merrill Lynch, and certain of the companies' current and former officers and directors violated the federal securities laws by making a series of materially false statements and omissions in connection with the acquisition. These violations included the alleged failure to disclose information regarding billions of dollars of losses Merrill had suffered before the BAC shareholder vote on the proposed acquisition, as well as an undisclosed agreement allowing Merrill to pay billions in bonuses before the acquisition closed despite these losses. Not privy to these material facts, BAC shareholders voted to approve the acquisition.

**Case:** *In re Allianz Global Investors U.S. Litigation*

**Court:** Cases primarily filed in the United States District Court for the Southern District of New York

**Highlights:** Over \$2 billion dollars recovered for investors in a series of more than 20 direct actions.

**Summary:** BLB&G prosecuted claims on behalf of institutional investors that suffered losses in connection with investments in the Allianz Structured Alpha Funds—a suite of investment products developed and overseen by Allianz Global Investors U.S.—due to Allianz’s breaches of fiduciary and contractual duties. BLB&G negotiated settlements that returned over \$2 billion to investors. Our firm filed a series of direct actions, including the first complaint in this matter on behalf of Arkansas Teacher Retirement System, and subsequently served as liaison counsel in more than 20 related actions.

Allianz’s representations concerning the Alpha Funds were also investigated by the SEC and the U.S. Department of Justice. Allianz ultimately set aside over \$6 billion to deal with government investigations and lawsuits resulting from the collapse of the Structured Alpha Funds.

**Case:** *In re Nortel Networks Corporation Securities Litigation (Nortel II)*

**Court:** United States District Court for the Southern District of New York

**Highlights:** Over \$1.07 billion in cash and common stock recovered for the class.

**Summary:** This securities fraud class action charged Nortel Networks Corporation and certain of its officers and directors with violations of the Securities Exchange Act of 1934, alleging that the Defendants knowingly or recklessly made false and misleading statements with respect to Nortel’s financial results during the relevant period. BLB&G clients the Ontario Teachers’ Pension Plan Board and the Treasury of the State of New Jersey and its Division of Investment were appointed as Co-Lead Plaintiffs for the Class in one of two related actions (Nortel II), and BLB&G was appointed Lead Counsel for the Class. In a historic settlement, Nortel agreed to pay \$2.4 billion in cash and Nortel common stock to resolve both matters. Nortel later announced that its insurers had agreed to pay \$228.5 million toward the settlement, bringing the total amount of the global settlement to approximately \$2.7 billion, and the total amount of the Nortel II settlement to over \$1.07 billion.

**Case:** *In re Merck & Co., Inc. Securities Litigation*

**Court:** United States District Court, District of New Jersey

**Highlights:** \$1.06 billion recovery for the class.

**Summary:** This case arises out of misrepresentations and omissions concerning life-threatening risks posed by the “blockbuster” COX-2 painkiller Vioxx, which Merck withdrew from the market in 2004. In January 2016, BLB&G achieved a \$1.062 billion settlement on the eve of trial after more than 12 years of hard-fought litigation that included a successful decision at the United States Supreme Court. This settlement is the second-largest recovery ever obtained in the Third Circuit and one of the top securities recoveries of all time. BLB&G represented Lead Plaintiff the Public Employees’ Retirement System of Mississippi.

- Case:** *In re McKesson HBOC, Inc. Securities Litigation*
- Court:** United States District Court for the Northern District of California
- Highlights:** \$1.05 billion recovery for the class.
- Summary:** This securities fraud litigation was filed on behalf of purchasers of HBOC, McKesson, and McKesson HBOC securities, alleging that Defendants misled the investing public concerning HBOC's and McKesson HBOC's financial results. On behalf of Lead Plaintiff the New York State Common Retirement Fund, BLB&G obtained a \$960 million settlement from the company, \$72.5 million in cash from Arthur Andersen, and, on the eve of trial, a \$10 million settlement from Bear Stearns & Co., with total recoveries reaching more than \$1 billion.
- 
- Case:** *In re Wells Fargo & Company Securities Litigation*
- Court:** United States District Court for the Southern District of New York
- Highlights:** \$1 billion recovery for the class, the top U.S. securities class action settlement of 2023, among the top six in the past decade, and among the top 17 of all time.
- Summary:** In 2018, Wells Fargo's regulators imposed unprecedented consent orders on Wells Fargo designed to halt the bank's decades-long, fraudulent banking practices and rectify the severely deficient corporate oversight that allowed those fraudulent practices to develop and endure (the "2018 Consent Orders"). In this action, lead plaintiffs, represented by BLB&G as co-lead counsel, alleged that Wells Fargo and certain of its senior executives issued false and misleading statements to investors regarding the status of Wells Fargo's compliance with the 2018 Consent Orders, claiming that the bank had regulator-approved "plans" and that it was "in compliance" with the Orders. In reality, Wells Fargo had yet to submit to regulators an acceptable plan or schedule for overhauling the bank's compliance and oversight practices and was nowhere near meeting the regulators' requirements that were a predicate to lifting the severe measures imposed on the bank. Wells Fargo investors were harmed after a series of disclosures, including damning congressional hearings and reports, revealed the truth to the market that the bank had blatantly disregarded the basic requirements set forth in the 2018 Consent Orders. The \$1 billion settlement was reached after three years of hard-fought litigation and was achieved with the assistance of a respected mediator, former U.S. District Judge Layn R. Phillips.
- 
- Case:** *HealthSouth Corporation Bondholder Litigation*
- Court:** United States District Court for the Northern District of Alabama
- Highlights:** \$804.5 million in total recoveries.
- Summary:** In this litigation, BLB&G was the appointed Co-Lead Counsel for the bond holder class, representing Lead Plaintiff the Retirement Systems of Alabama. This action arose from allegations that Birmingham-based HealthSouth Corporation overstated its earnings at the direction of its founder and former CEO Richard Scrushy. Subsequent revelations disclosed that the overstatement exceeded

over \$2.4 billion, virtually wiping out all of HealthSouth's reported profits for the prior five years. A total recovery of \$804.5 million was obtained in this litigation through a series of settlements, including an approximately \$445 million settlement for shareholders and bondholders, a \$100 million in cash settlement from UBS AG, UBS Warburg LLC, and individual UBS Defendants, and \$33.5 million in cash from the company's auditor. The total settlement for injured HealthSouth bond purchasers exceeded \$230 million, recouping over a third of bond purchaser damages.

**Case:** *In re Washington Public Power Supply System Litigation*

**Court:** United States District Court for the District of Arizona

**Highlights:** Over \$750 million—the largest securities fraud settlement ever achieved at the time.

**Summary:** BLB&G was appointed Chair of the Executive Committee responsible for litigating on behalf of the class in this action. The case was litigated for over seven years and involved an estimated 200 million pages of documents produced in discovery; the depositions of 285 fact witnesses and 34 expert witnesses; more than 25,000 introduced exhibits; six published district court opinions; seven appeals or attempted appeals to the Ninth Circuit; and a three-month jury trial, which resulted in a settlement of over \$750 million—then the largest securities fraud settlement ever achieved.

**Case:** *In re Lehman Brothers Equity/Debt Securities Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$735 million in total recoveries.

**Summary:** Representing the Government of Guam Retirement Fund, BLB&G successfully prosecuted this securities class action arising from Lehman Brothers Holdings' issuance of billions of dollars in offerings of debt and equity securities that were sold using offering materials that contained untrue statements and missing material information.

After four years of intense litigation, Lead Plaintiffs achieved a total of \$735 million in recoveries consisting of a \$426 million settlement with underwriters of Lehman securities offerings, a \$90 million settlement with former Lehman directors and officers, a \$99 million settlement that resolves claims against Ernst & Young, Lehman's former auditor (considered one of the top 10 auditor settlements ever achieved), and a \$120 million settlement that resolves claims against UBS Financial Services. This recovery is remarkable not only because of the difficulty in recovering assets when the issuer defendant is bankrupt, but also because no financial results were restated, and the auditors never disavowed the statements.

**Case:** *In re Citigroup, Inc. Bond Action Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$730 million cash recovery, the second largest recovery in a litigation arising from the financial crisis.

**Summary:** In the years prior to the collapse of the subprime mortgage market, Citigroup issued 48 offerings of preferred stock and bonds. This securities fraud class action was filed on behalf of purchasers of Citigroup bonds and preferred stock alleging that these offerings contained material misrepresentations and omissions regarding Citigroup's exposure to billions of dollars in mortgage-related assets, the loss reserves for its portfolio of high-risk residential mortgage loans, and the credit quality of the risky assets it held in off-balance sheet entities known as "structured investment vehicles." After protracted litigation lasting four years, we obtained a \$730 million cash recovery—the second largest securities class action recovery in a litigation arising from the financial crisis, and the second largest recovery ever in a securities class action brought on behalf of purchasers of debt securities. As Lead Bond Counsel for the Class, BLB&G represented Lead Bond Plaintiffs Minneapolis Firefighters' Relief Association, Louisiana Municipal Police Employees' Retirement System, and Louisiana Sheriffs' Pension and Relief Fund.

**Case:** *In re Schering-Plough Corporation/Enhance Securities Litigation; In re Merck & Co., Inc. Vytorin/Zetia Securities Litigation*

**Court:** United States District Court for the District of New Jersey

**Highlights:** \$688 million in combined settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) in this coordinated securities fraud litigations filed on behalf of investors in Merck and Schering-Plough.

**Summary:** After nearly five years of intense litigation, just days before trial, BLB&G resolved the two actions against Merck and Schering-Plough, which stemmed from claims that Merck and Schering artificially inflated their market value by concealing material information and making false and misleading statements regarding their blockbuster anti-cholesterol drugs Zetia and Vytorin. Specifically, we alleged that the companies knew that their "ENHANCE" clinical trial of Vytorin (a combination of Zetia and a generic) demonstrated that Vytorin was no more effective than the cheaper generic at reducing artery thickness. The companies nonetheless championed the "benefits" of their drugs, attracting billions of dollars of capital. When public pressure to release the results of the ENHANCE trial became too great, the companies reluctantly announced these negative results, which we alleged led to sharp declines in the value of the companies' securities, resulting in significant losses to investors. The combined \$688 million in settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) is the second largest securities recovery ever in the Third Circuit, among the top 25 settlements of all time, and among the 10 largest recoveries ever in a case where there was no financial restatement. BLB&G represented Lead Plaintiffs Arkansas Teacher Retirement System, the Public Employees' Retirement System of Mississippi, and the Louisiana Municipal Police Employees' Retirement System.

**Case:** *In re Lucent Technologies, Inc. Securities Litigation*

**Court:** United States District Court for the District of New Jersey

**Highlights:** \$667 million in total recoveries; the appointment of BLB&G as Co-Lead Counsel is especially noteworthy as it marked the first time since the 1995 passage of the Private Securities Litigation Reform Act that a court reopened the lead plaintiff or lead counsel selection process to account for changed circumstances, new issues, and possible conflicts between new and old allegations.

**Summary:** BLB&G served as Co-Lead Counsel in this securities class action, representing Lead Plaintiffs the Parnassus Fund, Teamsters Locals 175 & 505 D&P Pension Trust, Anchorage Police and Fire Retirement System, and the Louisiana School Employees' Retirement System. The complaint accused Lucent of making false and misleading statements to the investing public concerning its publicly reported financial results and failing to disclose the serious problems in its optical networking business. When the truth was disclosed, Lucent admitted that it had improperly recognized revenue of nearly \$679 million in fiscal 2000. The settlement obtained in this case is valued at approximately \$667 million, and is composed of cash, stock, and warrants.

**Case:** *In re Wachovia Preferred Securities and Bond/Notes Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$627 million recovery—among the largest securities class action recoveries in history; third-largest recovery obtained in an action arising from the subprime mortgage crisis.

**Summary:** This securities class action was filed on behalf of investors in certain Wachovia bonds and preferred securities against Wachovia Corp., certain former officers and directors, various underwriters, and its auditor, KPMG. The case alleged that Wachovia provided offering materials that misrepresented and omitted material facts concerning the nature and quality of Wachovia's multibillion-dollar option-ARM (adjustable rate mortgage) "Pick-A-Pay" mortgage loan portfolio, and that Wachovia's loan loss reserves were materially inadequate. According to the Complaint, these undisclosed problems threatened the viability of the financial institution, requiring it to be "bailed out" during the financial crisis before it was acquired by Wells Fargo. The combined \$627 million recovery obtained in the action is among the 20 largest securities class action recoveries in history, the largest settlement ever in a class action case asserting only claims under the Securities Act of 1933, and one of a handful of securities class action recoveries obtained where there were no parallel civil or criminal actions brought by government authorities. The firm represented Co-Lead Plaintiffs Orange County Employees Retirement System and Louisiana Sheriffs' Pension and Relief Fund in this action.

**Case:** *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*

**Court:** United States District Court for the District of Columbia

**Highlights:** \$612.4 million jury award for Fannie Mae and Freddie Mac investors in a unanimous trial verdict.

**Summary:** BLB&G secured a \$612.4 million jury award for Fannie Mae and Freddie Mac investors in a unanimous trial verdict against the Federal Housing Finance Agency (FHFA). The action challenged FHFA's decision to sweep the entire net worth of Fannie Mae and Freddie Mac to the U.S. Treasury, depriving

shareholders of significant value. The award came after two trials and 10 years of intense litigation and negotiations. The court also recently approved our request for prejudgment interest, adding approximately \$198 million to the recovery for investors (pending entry of judgment).

**Case:** *Bear Stearns Mortgage Pass-Through Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** \$500 million recovery—the largest recovery ever on behalf of purchasers of residential mortgage-backed securities.

**Summary:** BLB&G served as Co-Lead Counsel in this securities action, representing Lead Plaintiffs the Public Employees' Retirement System of Mississippi. The case alleged that Bear Stearns & Company sold mortgage pass-through certificates using false and misleading offering documents. The offering documents contained false and misleading statements related to, among other things, the underwriting guidelines used to originate the mortgage loans underlying the certificates and the accuracy of the appraisals for the properties underlying the certificates. After six years of hard-fought litigation and extensive arm's-length negotiations, the \$500 million recovery is the largest settlement in a U.S. class action against a bank that packaged and sold mortgage securities at the center of the 2008 financial crisis.

**Case:** *Gary Hefler et al. v. Wells Fargo & Company et al.*

**Court:** United States District Court for the Northern District of California

**Highlights:** \$480 million recovery—the fourth largest securities settlement ever achieved in the Ninth Circuit.

**Summary:** BLB&G served as Lead Counsel for the Court-appointed Lead Plaintiff Union Asset Management Holding, AG in this action, which alleged that Wells Fargo and certain current and former officers and directors of Wells Fargo made a series of materially false statements and omissions in connection with Wells Fargo's secret creation of fake or unauthorized client accounts in order to hit performance-based compensation goals. After years of presenting a business driven by legitimate growth prospects, U.S. regulators revealed in September 2016 that Wells Fargo employees were secretly opening millions of potentially unauthorized accounts for existing Wells Fargo customers. The Complaint alleged that these accounts were opened in order to hit performance targets and inflate the "cross-sell" metrics that investors used to measure Wells Fargo's financial health and anticipated growth. When the market learned the truth about Wells Fargo's violation of its customers' trust and failure to disclose reliable information to its investors, the price of Wells Fargo's stock dropped, causing substantial investor losses.

**Case:** *In re Kraft Heinz Securities Litigation*

**Court:** United States District Court for the Northern District of Illinois



**Highlights:** \$450 million in total recoveries.

**Summary:** BLB&G litigated claims against Kraft Heinz arising from the defendants' misstatements regarding the company's financial position, including the carrying value of Kraft's assets, the sustainability of Kraft's margins, and the success of recent cost-cutting strategies by the company. After overcoming defendants' motions to dismiss and conducting discovery involving the production of over 14.7 million pages of documents, the parties engaged in mediation and reached a settlement that represented a recovery of \$450 million for impacted investors.

**Case:** *Ohio Public Employees Retirement System v. Freddie Mac*

**Court:** United States District Court for the Southern District of Ohio

**Highlights:** \$410 million settlement.

**Summary:** This securities fraud class action was filed on behalf of the Ohio Public Employees Retirement System and the State Teachers Retirement System of Ohio alleging that Freddie Mac and certain of its current and former officers issued false and misleading statements in connection with the company's previously reported financial results. Specifically, the Complaint alleged that the Defendants misrepresented the company's operations and financial results by engaging in numerous improper transactions and accounting machinations that violated fundamental GAAP precepts in order to artificially smooth the company's earnings and hide earnings volatility. In connection with these improprieties, Freddie Mac restated more than \$5 billion in earnings. A settlement of \$410 million was reached in the case just as deposition discovery had begun and document review was complete.

**Case:** *In re Refco, Inc. Securities Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** Over \$407 million in total recoveries.

**Summary:** The lawsuit arises from the revelation that Refco, a once-prominent brokerage, had for years secreted hundreds of millions of dollars of uncollectible receivables with a related entity controlled by Phillip Bennett, the company's Chairman and Chief Executive Officer. This revelation caused the stunning collapse of the company a mere two months after its initial public offering of common stock. As a result, Refco filed one of the largest bankruptcies in U.S. history. Settlements have been obtained from multiple company and individual defendants, resulting in a total recovery for the class of over \$407 million. BLB&G represented Co-Lead Plaintiff RH Capital Associates LLC.

**Case:** *In re Allergan, Inc. Proxy Violation Securities Litigation*

**Court:** United States District Court for the Central District of California

**Highlights:** Recovered over \$250 million for investors while challenging an unprecedented insider trading scheme by billionaire hedge fund manager Bill Ackman.

**Summary:** As alleged in groundbreaking litigation, billionaire hedge fund manager Bill Ackman and his Pershing Square Capital Management fund secretly acquired a near 10% stake in pharmaceutical concern Allergan as part of an unprecedented insider trading scheme by Ackman and Valeant Pharmaceuticals International. What Ackman knew—but investors did not—was that in the ensuing weeks, Valeant would be launching a hostile bid to acquire Allergan shares at a far higher price. Ackman enjoyed a massive instantaneous profit upon public news of the proposed acquisition, and the scheme worked for both parties as he kicked back hundreds of millions of his insider-trading proceeds to Valeant after Allergan agreed to be bought by a rival bidder. After a ferocious three-year legal battle over this attempt to circumvent the spirit of the U.S. securities laws, BLB&G obtained a \$250 million settlement for Allergan investors, and created precedent to prevent similar such schemes in the future. The Plaintiffs in this action were the State Teachers Retirement System of Ohio, the Iowa Public Employees Retirement System, and Patrick T. Johnson.

## Corporate Governance and Shareholders' Rights

**Case:** *Tornetta v. Musk*

**Court:** Delaware Court of Chancery

**Highlights:** Achieved a historic ruling rescinding Elon Musk's \$55 billion compensation package at Tesla—the largest such package in history.

**Summary:** BLB&G led a headline-grabbing shareholder derivative action against Elon Musk and certain Tesla board members challenging the \$55 billion compensation plan granted to Musk—the largest such compensation plan in history. BLB&G served as lead trial counsel in this case on behalf of a Tesla stockholder. The firm litigated for more than four years, examined eight of the most critical witnesses—including Elon Musk himself—and presented a strong factual record to the Court. On January 30, 2024, in a historic decision, the court nullified Musk's entire \$55 billion compensation package, finding that Tesla's board of directors had breached their fiduciary duty in structuring Musk's multi-tranched compensation.

**Case:** *City of Monroe Employees' Retirement System, Derivatively on Behalf of Twenty-First Century Fox, Inc. v. Rupert Murdoch, et al.*

**Court:** Delaware Court of Chancery

**Highlights:** Landmark derivative litigation established unprecedented, independent Board-level council to ensure employees are protected from workplace harassment while recouping \$90 million for the company's coffers.

**Summary:** Before the birth of the #metoo movement, BLB&G led the prosecution of an unprecedented shareholder derivative litigation against Fox News parent 21st Century Fox arising from the systemic sexual and workplace harassment at the embattled network. After nearly 18 months of litigation,

discovery and negotiation related to the shocking misconduct and the Board's extensive alleged governance failures, the parties unveil a landmark settlement with two key components: 1) the first ever Board-level watchdog of its kind—the "Fox News Workplace Professionalism and Inclusion Council" of experts (WPIC)—majority independent of the Murdochs, the Company and Board; and 2) one of the largest financial recoveries—\$90 million—ever obtained in a pure corporate board oversight dispute. The WPIC serves as a model for public companies in all industries. The firm represented 21st Century Fox shareholder the City of Monroe (Michigan) Employees' Retirement System.

**Case:** *In re McKesson Corporation Derivative Litigation*

**Court:** United States District Court, Northern District of California, Oakland Division and Delaware Chancery Court

**Highlights:** Litigation recovered \$175 million and achieved substantial corporate governance reforms.

**Summary:** BLB&G represented the Police & Fire Retirement System City of Detroit and Amalgamated Bank in this derivative class action arising from the company's role in permitting and exacerbating America's ongoing opioid crisis. The complaint, initially filed in Delaware Chancery Court, alleged that defendants breached their fiduciary duties by failing to adequately oversee McKesson's compliance with provisions of the Controlled Substances Act and a series of settlements with the Drug Enforcement Administration intended to regulate the distribution and misuse of controlled substances such as opioids. Even after paying fines and settlements in the hundreds of millions of dollars, McKesson was sued in the National Opioid Multidistrict Litigation. In May 2018, our clients joined a substantially similar action being litigated in California federal court. Acting as co-lead counsel, BLB&G played a major role in litigating the case, opposing a motion to stay the action by a special litigation committee, and engaging in extensive pretrial discovery. Ultimately, \$175 million was recovered for the benefit of McKesson's shareholders in a settlement that also created substantial corporate-governance reforms to prevent a recurrence of McKesson's inadequate legal compliance efforts.

**Case:** *UnitedHealth Group, Inc. Shareholder Derivative Litigation*

**Court:** United States District Court for the District of Minnesota

**Highlights:** Recovered over \$920 million in ill-gotten compensation directly from former officers for their roles in illegally backdating stock options, while the company agreed to far-reaching reforms aimed at curbing future executive compensation abuses.

**Summary:** This shareholder derivative action filed against certain current and former executive officers and members of the Board of Directors of UnitedHealth Group alleged that the Defendants obtained, approved and/or acquiesced in the issuance of stock options to senior executives that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of UnitedHealth and its shareholders. The firm recovered over \$920 million in ill-gotten compensation

directly from the former officer Defendants—the largest derivative recovery in history. As feature coverage in *The New York Times* indicated, “investors everywhere should applaud [the UnitedHealth settlement]....[T]he recovery sets a standard of behavior for other companies and boards when performance pay is later shown to have been based on ephemeral earnings.” The Plaintiffs in this action were the St. Paul Teachers’ Retirement Fund Association, the Public Employees’ Retirement System of Mississippi, the Jacksonville Police & Fire Pension Fund, the Louisiana Sheriffs’ Pension & Relief Fund, the Louisiana Municipal Police Employees’ Retirement System and Fire & Police Pension Association of Colorado.

**Case:** *Caremark Merger Litigation*

**Court:** Delaware Court of Chancery – New Castle County

**Highlights:** Landmark Court ruling ordered Caremark’s board to disclose previously withheld information, enjoined a shareholder vote on the CVS merger offer, and granted statutory appraisal rights to Caremark shareholders. The litigation ultimately forced CVS to raise its offer by \$7.50 per share, equal to more than \$3.3 billion in additional consideration to Caremark shareholders.

**Summary:** Commenced on behalf of the Louisiana Municipal Police Employees’ Retirement System and other shareholders of Caremark RX, this shareholder class action accused the company’s directors of violating their fiduciary duties by approving and endorsing a proposed merger with CVS Corporation, while refusing to fairly consider an alternative transaction proposed by another bidder. In a landmark decision, the Court ordered the Defendants to disclose material information that had previously been withheld, enjoined the shareholder vote on the CVS transaction until the additional disclosures occurred, and granted statutory appraisal rights to Caremark’s shareholders—forcing CVS to increase the consideration offered to shareholders by \$7.50 per share in cash (over \$3 billion in total).

**Case:** *In re Pfizer Inc. Shareholder Derivative Litigation*

**Court:** United States District Court for the Southern District of New York

**Highlights:** Landmark settlement in which Defendants agreed to create a new Regulatory and Compliance Committee of the Pfizer Board to be supported by a dedicated \$75 million fund.

**Summary:** In the wake of Pfizer’s agreement to pay \$2.3 billion as part of a settlement with the U.S. Department of Justice to resolve civil and criminal charges relating to the illegal marketing of at least 13 of the company’s most important drugs (the largest such fine ever imposed), this shareholder derivative action was filed against Pfizer’s senior management and Board alleging they breached their fiduciary duties to Pfizer by, among other things, allowing unlawful promotion of drugs to continue after receiving numerous “red flags” that Pfizer’s improper drug marketing was systemic and widespread. The suit was brought by Court-appointed Lead Plaintiffs Louisiana Sheriffs’ Pension and Relief Fund and Skandia Life Insurance Company, Ltd. In an unprecedented settlement reached by the parties, the Defendants agreed to create a new Regulatory and Compliance Committee of the Pfizer Board of Directors (the “Regulatory Committee”) to oversee and monitor Pfizer’s compliance and drug

marketing practices and to review the compensation policies for Pfizer's drug sales related employees.

**Case:** *Miller et al. v. IAC/InterActiveCorp et al.*

**Court:** Delaware Court of Chancery

**Highlights:** This litigation shut down efforts by controlling shareholders to obtain "dynastic control" of the company through improper stock class issuances, setting valuable precedent and sending a strong message to boards and management in all sectors that such moves will not go unchallenged.

**Summary:** BLB&G obtained this landmark victory for shareholder rights against IAC/InterActiveCorp and its controlling shareholder and chairman, Barry Diller. For decades, activist corporate founders and controllers sought ways to entrench their position atop the corporate hierarchy by granting themselves and other insiders "supervoting rights." Diller laid out a proposal to introduce a new class of non-voting stock to entrench "dynastic control" of IAC within the Diller family. BLB&G litigation on behalf of IAC shareholders ended in capitulation with the Defendants effectively conceding the case by abandoning the proposal. This became a critical corporate governance precedent, given the trend of public companies to introduce "low" and "no-vote" share classes, which diminish shareholder rights, insulate management from accountability, and can distort managerial incentives by providing controllers voting power out of line with their actual economic interests in public companies.

**Case:** *In re News Corp. Shareholder Derivative Litigation*

**Court:** Delaware Court of Chancery – Kent County

**Highlights:** An unprecedented settlement in which News Corp. recouped \$139 million and enacted significant corporate governance reforms that combat self-dealing in the boardroom.

**Summary:** Following News Corp.'s 2011 acquisition of a company owned by News Corp. Chairman and CEO Rupert Murdoch's daughter, and the phone-hacking scandal within its British newspaper division, BLB&G filed a derivative litigation on behalf of the company because of institutional shareholder concern with the conduct of News Corp.'s management. BLB&G ultimately obtained an unprecedented settlement in which News Corp. recouped \$139 million for the company coffers and agreed to enact corporate governance enhancements to strengthen its compliance structure, the independence and functioning of its board, and the compensation and clawback policies for management.

## Clients and Fees

We are firm believers in the contingency fee as a socially useful, productive and satisfying basis of compensation for legal services, particularly in litigation. Wherever appropriate, even with our corporate clients, we encourage retentions in which our fee is contingent on the outcome of the litigation. This way, it is not the number of hours worked that will determine our fee, but rather the result achieved for our client. The firm generally negotiates with our clients a contingent fee schedule specific to each litigation, and all fee proposals are approved by the client prior to commencing litigation, and ultimately by the Court.

Our clients include many large and well-known financial and lending institutions and pension funds, as well as privately held companies that are attracted to our firm because of our reputation, expertise, and fee structure. Most of the firm's clients are referred by other clients, law firms and lawyers, bankers, investors, and accountants. A considerable number of clients have been referred to the firm by former adversaries. We have always maintained a high level of independence and discretion in the cases we decide to prosecute. As a result, the level of personal satisfaction and commitment to our work is high.

## In the Public Interest

Bernstein Litowitz Berger & Grossmann LLP is guided by two principles: excellence in legal work and a belief that the law should serve a socially useful and dynamic purpose. Attorneys at the firm are active in academic, community, and pro bono activities and regularly participate as speakers and contributors to professional organizations. In addition, the firm endows a public interest law fellowship and sponsors an academic scholarship at Columbia Law School. Highlights of our community contributions include:

### **Bernstein Litowitz Berger & Grossmann Public Interest Law Fellows**

BLB&G is committed to fighting discrimination and effecting positive social change. In support of this commitment, the firm donates funds to Columbia Law School to create the Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship. This fund at Columbia Law School provides Fellows with 100% of the funding needed to make payments on their law school tuition loans so long as such graduates remain in the public interest law field. BLB&G Fellows can begin their careers free of any school debt if they make a long-term commitment to public interest law.

### **Firm Sponsorship of Her Justice**

BLB&G is a sponsor of Her Justice, a not-for-profit organization in New York City dedicated to providing pro bono legal representation to indigent women, principally vulnerable women, in connection with the myriad legal problems they face. The organization trains and supports the efforts of New York lawyers who provide pro bono counsel to these women. Several members and associates of the firm volunteer their time to help women who need divorces from abusive spouses or representation on issues such as child support, custody, and visitation. To read more about Her Justice, visit the organization's website at <http://www.herjustice.org/>.

### **Firm Sponsorship of City Year New York**

BLB&G is an active supporter of City Year New York, a division of AmeriCorps. The program was founded in 1988 as a means of encouraging young people to devote time to public service and unites a diverse group of volunteers for a demanding year of full-time community service, leadership development, and civic engagement. Through their service, corps members experience a rite of passage that can inspire a lifetime of citizenship and build a stronger democracy.

### **Max W. Berger Pre-Law Program**

The Max W. Berger Pre-Law Program was established at Baruch College to encourage outstanding minority undergraduates to pursue a meaningful career in the legal profession. Providing workshops, seminars, counseling, and mentoring to Baruch students, the program facilitates and guides them through the law school research and application process, and places them in appropriate internships and other pre-law working environments.

## Our Attorneys

BLB&G employs a dedicated team of attorneys, including partners, counsel, associates, and senior staff attorneys. Biographies for each of our attorneys can be found on our website [here](#). On a case-by-case basis, we also make use of a pool of staff attorneys to supplement our litigation teams. The BLB&G team also includes investigators, financial analysts, paralegals, e-discovery specialists, information technology professionals, and administrative staff. Biographies for our investigative team are available on our website [here](#), and biographies for the leaders of our administrative departments are viewable [here](#).

## Partners

**Max Berger**, Founding Partner, has grown BLB&G from a partnership of four lawyers in 1983 into what the *Financial Times* described as “[one of the most powerful securities class action law firms in the United States](#)” by prosecuting seminal cases which have increased market transparency, held wrongdoers accountable, and improved corporate business practices in groundbreaking ways.

Described by sources quoted in leading industry publication *Chambers USA* as “the smartest, most strategic plaintiffs’ lawyer [they have] ever encountered,” Max has litigated many of the firm’s most high-profile and significant cases and secured some of the largest recoveries ever achieved in securities fraud lawsuits, negotiating seven of the largest securities fraud settlements in history, each in excess of a billion dollars: *Cendant* (\$3.3 billion), *Citigroup-WorldCom* (\$2.575 billion), *Bank of America/Merrill Lynch* (\$2.4 billion), *JPMorgan Chase-WorldCom* (\$2 billion), *Nortel* (\$1.07 billion), *Merck* (\$1.06 billion), and *McKesson* (\$1.05 billion). Max’s prosecution of the *WorldCom* litigation, which resulted in unprecedented monetary contributions from WorldCom’s outside directors (nearly \$25 million out of their own pockets on top of their insurance coverage) “shook Wall Street, the audit profession and corporate boardrooms.” (*The Wall Street Journal*)

Max’s cases have resulted in sweeping corporate governance overhauls, including the creation of an independent task force to oversee and monitor diversity practices (*Texaco* discrimination litigation), establishing an industry-accepted definition of director independence, increasing a board’s power and responsibility to oversee internal controls and financial reporting (*Columbia/HCA*), and creating a Healthcare Law Regulatory Committee with dedicated funding to improve the standard for regulatory compliance oversight by a public company board of directors (*Pfizer*). His cases have yielded results which have served as models for public companies going forward.

Most recently, before the #metoo movement came alive, on behalf of an institutional investor client, Max handled the prosecution of an unprecedented shareholder derivative litigation against Fox News parent 21st Century Fox, Inc. arising from the systemic sexual and workplace harassment at the embattled network. After nearly 18 months of litigation, discovery, and negotiation related to the shocking misconduct and the Board’s extensive alleged governance failures, the parties unveiled a landmark settlement with two key components: 1) the first ever Board-level watchdog of its kind—the “Fox News Workplace Professionalism and Inclusion Council” of experts (WPIC)—majority independent of the Murdochs, the Company and Board; and 2) one of the largest financial recoveries—\$90 million—ever obtained in a pure corporate board oversight dispute. The WPIC is expected to serve as a model for public companies in all industries.



Max's work has garnered him extensive media attention, and he has been the subject of feature articles in a variety of major media publications. *The New York Times* highlighted his remarkable track record in an October 2012 profile entitled "[Investors' Billion-Dollar Fraud Fighter](#)," which also discussed his role in the *Bank of America/Merrill Lynch Merger* litigation. In 2011, Max was twice profiled by *The American Lawyer* for his role in negotiating a \$627 million recovery on behalf of investors in the *In re Wachovia Corp. Securities Litigation*, and a \$516 million recovery in *In re Lehman Brothers Equity/Debt Securities Litigation*. For his outstanding efforts on behalf of WorldCom investors, he was featured in articles in *BusinessWeek* and *The American Lawyer*, and *The National Law Journal* profiled Max (one of only eleven attorneys selected nationwide) in its annual 2005 "Winning Attorneys" section. He was subsequently featured in a 2006 *New York Times* article, "A Class-Action Shuffle," which assessed the evolving landscape of the securities litigation arena.

### **One of the "100 Most Influential Lawyers in America"**

Widely recognized as the "Dean" of the U.S. plaintiff securities bar for his remarkable career and his professional excellence, Max has a distinguished and unparalleled list of honors to his name.

- He was selected as one of the "100 Most Influential Lawyers in America" by *The National Law Journal* for being "front and center" in holding Wall Street banks accountable and obtaining over \$5 billion in cases arising from the subprime meltdown, and for his work as a "master negotiator" in obtaining numerous multi-billion dollar recoveries for investors.
- Described as a "standard-bearer" for the profession in a career spanning nearly 50 years, he is the recipient of *Chambers USA's* award for Outstanding Contribution to the Legal Profession. In presenting this prestigious honor, *Chambers* recognized Max's "numerous headline-grabbing successes," as well as his unique stature among colleagues—"warmly lauded by his peers, who are nevertheless loath to find him on the other side of the table." Max has been recognized as a litigation "star" and leading lawyer in his field by *Chambers* since its inception.
- *Benchmark Litigation* recently inducted him into its exclusive "Hall of Fame" and named him a 2021 "Litigation Star" in recognition of his career achievements and impact on the field of securities litigation.
- Upon its tenth anniversary, *Lawdragon* named Max a "Lawdragon Legend" for his accomplishments. He was recently inducted into *Lawdragon's* "Hall of Fame." He is regularly included in the publication's "500 Leading Lawyers in America" and "100 Securities Litigators You Need to Know" lists.
- *Law360* published a special feature discussing his life and career as a "Titan of the Plaintiffs Bar," named him one of only six litigators selected nationally as a "Legal MVP," and selected him as one of "10 Legal Superstars" nationally for his work in securities litigation.
- Max has been regularly named a "leading lawyer" in the *Legal 500 US Guide* where he was also named to their "Hall of Fame" list, as well as *The Best Lawyers in America®* guide.
- Max was honored for his outstanding contribution to the public interest by Trial Lawyers for Public Justice, which named him a "Trial Lawyer of the Year" Finalist in 1997 for his work in *Roberts, et al. v. Texaco*, the celebrated race discrimination case, on behalf of Texaco's African-American employees.

Max has lectured extensively for many professional organizations, and is the author and co-author of numerous articles on developments in the securities laws and their implications for public policy. He was chosen, along with

several of his BLB&G partners, to author the first chapter—“Plaintiffs’ Perspective”—of Lexis/Nexis’s seminal industry guide *Litigating Securities Class Actions*. An esteemed voice on all sides of the legal and financial markets, in 2008 the SEC and Treasury called on Max to provide guidance on regulatory changes being considered as the accounting profession was experiencing tectonic shifts shortly before the financial crisis.

Max also serves the academic community in numerous capacities. A long-time member of the Board of Trustees of Baruch College, he served as the President of the Baruch College Fund from 2015-2019 and now serves as its Chairman. In May 2006, he was presented with the Distinguished Alumnus Award for his contributions to Baruch College, and in 2019, was awarded an honorary Doctor of Laws degree at Baruch’s commencement, the highest honor Baruch College confers upon an individual for non-academic achievement. The award recognized his decades-long dedication to the mission and vision of the College, and in bestowing it, Baruch's President described Max as “[one of the most influential individuals in the history of Baruch College](#).” Max established the [Max Berger Pre-Law Program at Baruch College](#) in 2007.

A member of the Dean's Council to Columbia Law School as well as the Columbia Law School Public Interest/Public Service Council, Max has taught Profession of Law, an ethics course at Columbia Law School, and serves on the Advisory Board of Columbia Law School’s Center on Corporate Governance. In February 2011, Max received Columbia Law School's most prestigious and highest honor, “The Medal for Excellence.” This award is presented annually to Columbia Law School alumni who exemplify the qualities of character, intellect, and social and professional responsibility that the Law School seeks to instill in its students. As a recipient of this award, Max was [profiled](#) in the Fall 2011 issue of *Columbia Law School Magazine*. Max is a member of the American Law Institute and an Advisor to its Restatement Third: Economic Torts project. Max [recently endowed the Max Berger '71 Public Interest/Public Service Fellows Program at Columbia Law School](#). The program provides support for law students interested in pursuing careers in public service. Max and his wife, Dale, previously endowed the [Dale and Max Berger Public Interest Law Fellowship at Columbia Law School](#) and, under Max’s leadership, BLB&G also created the Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship at Columbia.

Among numerous charitable and volunteer works, Max is a significant and long-time contributor to Her Justice, a non-profit organization in New York City dedicated to providing *pro bono* legal representation to indigent women, principally survivors of intimate partner violence, in connection with the many legal problems they face. In recognition of their personal support of the organization, Max and his wife, Dale Berger, were awarded the “Above and Beyond Commitment to Justice Award” by Her Justice in 2021 for being steadfast advocates for women living in poverty in New York City. In addition to his personal support of Her Justice, Max has ensured BLB&G's long-time involvement with the organization. Max is also an active supporter of City Year New York, a division of AmeriCorps, dedicated to encouraging young people to devote time to public service. In July 2005, he was named City Year New York’s “Idealist of the Year,” for his commitment to, service for, and work in the community. A celebrated photographer, Max has held two successful photography shows that raised hundreds of thousands of dollars for City Year and Her Justice.

**Education:** Columbia Law School, 1971, J.D., Editor of the *Columbia Survey of Human Rights Law*; Baruch College-City University of New York, 1968, B.B.A., Accounting

**Bar Admissions:** New York; United States District Court for the Eastern District of New York; United States District Court for the Southern District of New York; United States Court of Appeals for the Second Circuit; United States

Court of Appeals for the Third Circuit; United States Court of Appeals for the Sixth Circuit; Supreme Court of the United States

**Scott Foglietta** prosecutes securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's institutional investor clients. As a member of the firm's case development and client advisory group, Scott advises Taft-Hartley pension funds, public pension funds, and other institutional investors on potential legal claims.

Scott was an integral member of the teams that advised the firm's clients in their prosecution of numerous significant matters, including securities class actions against *Wells Fargo* (\$480 million recovery), *Kraft Heinz* (\$450 million recovery), *Salix Pharmaceuticals* (\$210 million recovery), *Luckin Coffee* (\$175 million recovery), and *Equifax* (\$149 million recovery). Scott was also key member of the teams that evaluated and developed novel case theories or claims in several matters, including a securities class action against *Willis Towers Watson*, which arose from misrepresentations made in a proxy statement in connection with the merger between *Willis Group and Towers Watson* and was resolved for \$75 million, and an ongoing securities class action against *Perrigo* arising from misrepresentations made in connection with a tender offer for shares trading in both the United States and Israel. Scott was also a member of the teams that secured our clients' appointments as lead plaintiffs in the ongoing securities class actions against *Boeing*, *Meta Platforms*, *Seagate*, *Silvergate*, *TD Bank* and *First Horizon*, and *SVB Financial*, among others.

Scott was also a member of the team that advised one of the firm's institutional investor clients in a shareholder derivative action against the board of directors of *FirstEnergy Corp.* arising from the company's role in an egregious public corruption scandal, in which \$180 million was recovered and substantial governance reforms were obtained. Scott is routinely recognized for his outstanding legal work, including being named a "Rising Star" by *The National Law Journal* and *Law360*, and to *Benchmark Litigation's* "40 & Under" Hot List. Scott has also been named to numerous *Lawdragon* lists, including "500 Leading Plaintiff Financial Lawyers," "500 Leading Lawyers in America," and "Lawdragon 500 X – The Next Generation."

Before joining the firm, Scott represented institutional and individual clients in a wide variety of complex litigation matters, including securities class actions, commercial litigation, and ERISA litigation. Prior to law school, Scott earned an M.B.A. in finance from Clark University and worked as a capital markets analyst for a boutique investment banking firm

**Education:** Brooklyn Law School, 2010, J.D. Clark University, Graduate School of Management, 2007, M.B.A., Finance; Clark University, 2006, B.A., *cum laude*, Management

**Bar Admissions:** New York; New Jersey; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York; United States District Court for the District of New Jersey

**John Rizio-Hamilton** is Co-Head of BLB&G's Securities Litigation Department. One of America's top shareholder litigators, John has recovered billions of dollars for investors. Highlights of John's experience include the following:

- Led the trial team that recovered \$240 million in the *Signet Jewelers Securities Litigation*, a landmark case that marks the first successful resolution of a securities fraud class action based on allegations of sexual harassment.

- Key part of the trial team that prosecuted the *Bank of America Securities Litigation*, which settled for \$2.425 billion. This is the largest securities class action recovery related to the subprime meltdown, and one of the top securities litigation recoveries in history.
- Served as counsel on behalf of the institutional investor plaintiffs in the *Citigroup Bond Litigation*, which settled for \$730 million. This is the second largest recovery ever in a securities class action brought on behalf of purchasers of debt securities.
- Member of the team that prosecuted the *Wachovia Corp. Bond/Notes Litigation*, in which the firm recovered \$627 million, one of the 15 largest securities class action recoveries in history.
- Key member of the team that recovered \$150 million for investors in the *JPMorgan Chase & Co. Securities Litigation*, a securities fraud class action arising out of the trading activities of the so-called "London Whale."

In addition to his direct litigation responsibilities, John is responsible for the firm's client outreach in Canada, where he advises institutional investor clients on potential securities fraud and investor claims. John also manages the firm's settlements and claims administration department, which is responsible for obtaining court approval of all settlements and distributing the proceeds to class members.

For his remarkable accomplishments, John was named a "Litigation Trailblazer" by *The National Law Journal*. He has been recognized as a "Litigation Star" by *Benchmark Litigation*, and by *Law360* as a "Rising Star," a "Legal MVP," and one of the country's "Top Attorneys Under 40."

Before joining BLB&G, John clerked for the Honorable Chester J. Straub of the United States Court of Appeals for the Second Circuit, and the Honorable Sidney H. Stein of the United States District Court for the Southern District of New York.

**Education:** Brooklyn Law School, 2004, J.D., *summa cum laude*, Editor-in-Chief of the Brooklyn Law Review; first-place winner of the J. Braxton Craven Memorial Constitutional Law Moot Court Competition; Johns Hopkins University, 1997, B.A., with honors

**Bar Admissions:** New York; United States District Court for the Southern District of New York

**Hannah Ross** has over two decades of experience as a civil and criminal litigator. A former prosecutor, she has been a key member and leader of trial teams that have recovered billions of dollars for investors.

Hannah is widely recognized by industry observers for her professional achievements, including by the leading industry ranking guide *Chambers USA*, in which she was recognized as a "notable practitioner" in the Nationwide Securities Litigation Plaintiff category. Named a "Litigation Star," a "Top U.S. Woman Litigator" and one of the "Top 250 Women in Litigation" in the nation by *Benchmark Litigation*, she has earned praise as one of the elite in the field. Hannah has been recognized by *The National Law Journal* as a member of the "Elite Women of the Plaintiffs' Bar" list three times and as a "Litigation & Plaintiffs' Lawyer Trailblazer," named a New York "Super Lawyer" by Thomson Reuter's Super Lawyers magazine, honored as a "Titan of the Plaintiffs Bar" by legal newswire *Law360*, and named one of the top female litigators in the country (1 of 9 finalists for its "Best in Litigation" category) by *Euromoney/Legal Media Group*. She has also been named to an exclusive group of notable practitioners by *Legal 500* for her achievements, and included on the lists of the "500 Leading Lawyers in America" and "500 Leading Plaintiff Financial Lawyers" compiled by leading industry publication *Lawdragon*.

Hannah is a member of the firm's Executive Committee. In addition to her direct litigation responsibilities, she is one of the senior partners at the firm responsible for client development and client relations. A significant part of her practice is dedicated to initial case evaluation and counseling the firm's institutional investor clients on potential claims. Hannah is also one of the partners who oversees the firm's Global Securities and Litigation Monitoring Team, which monitors global equities traded in non-U.S. jurisdictions on prospective and pending international securities matters. In that capacity, she advises the firm's institutional investor clients on their options to recover losses incurred on securities purchased in non-U.S. markets. Hannah is the Chair of the firm's Diversity Committee and Co-Chair of the firm's Forum for Institutional Investors and Women's Forum. She serves on the Corporate Leadership Committee of the New York Women's Foundation and recently concluded a three-year term on the Council of Institutional Investors' Market Advisory Council.

Hannah led the BLB&G team that recovered nearly \$2 billion for 35 institutions that invested in the Allianz Structured Alpha Funds. She was a senior member of the team that prosecuted *In re Bank of America Securities Litigation*, which resulted in a landmark settlement shortly before trial of \$2.425 billion, one of the largest securities recoveries ever obtained, and by far the largest recovery achieved in a litigation arising from the financial crisis. Most recently, she was the lead partner in the securities class action arising from the failure of major mid-Atlantic bank Wilmington Trust, which settled for \$210 million. Hannah was also a senior member of the trial team that prosecuted the litigation arising from the collapse of former leading brokerage MF Global, which recovered \$234.3 million on behalf of investors. In addition, she led the prosecution against Washington Mutual and certain of its former officers and directors for alleged fraudulent conduct in the thrift's home lending operations, an action which settled for \$216.75 million and represents one of the largest settlements achieved in a case related to the fallout of the subprime crisis and the largest recovery ever achieved in a securities class action in the Western District of Washington. Hannah was also a key member of the team prosecuting *In re The Mills Corporation Securities Litigation*, which settled for \$202.75 million, one of the largest recovery ever achieved in a securities class action in Virginia and the Fourth Circuit.

She has been a member of the trial teams in numerous other major securities litigations resulting in recoveries for investors in excess of \$6 billion. These include securities class actions against Nortel Networks, New Century Financial Corporation, and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), as well as *In re Altisource Portfolio Solutions S.A. Securities Litigation*, *In re DFC Global Corp. Securities Litigation*, *In re Tronox Securities Litigation*, *In re Delphi Corporation Securities Litigation*, *In re Affiliated Computer Services, Inc. Derivative Litigation*, *In re OM Group, Inc. Securities Litigation*, and *In re BioScrip, Inc. Securities Litigation*.

Hannah has also served as an adjunct faculty member in the trial advocacy program at the Dickinson School of Law of the Pennsylvania State University. Before joining BLB&G, Hannah was a prosecutor in the Massachusetts Attorney General's Office as well as an Assistant District Attorney in the Middlesex County (Massachusetts) District Attorney's Office.

**Education:** Penn State Dickinson School of Law, 1998, J.D., Woolsack Honor Society; Comments Editor, Dickinson Law Review; D. Arthur Magaziner Human Services Award; Cornell University, 1995, B.A., *cum laude*

**Bar Admissions:** New York; Massachusetts; United States District Court for the Southern District of New York; United States Court of Appeals for the Second Circuit

**Jerry Silk's** practice focuses on representing institutional investors on matters involving federal and state securities laws, accountants' liability, and the fiduciary duties of corporate officials, as well as general commercial and corporate litigation. He also advises creditors on their rights with respect to pursuing affirmative claims against officers and directors, as well as professionals both inside and outside the bankruptcy context.

Jerry is a member of the firm's Executive Committee. He also oversees the firm's case development and client advisory group, in which he, along with a group of attorneys, financial analysts and investigators, counsels institutional clients on potential legal claims. In December 2014, Jerry was recognized by *The National Law Journal* in its inaugural list of "Litigation Trailblazers & Pioneers" — one of several lawyers in the country who have changed the practice of litigation through the use of innovative legal strategies — in no small part for the critical role he has played in helping the firm's investor clients recover billions of dollars in litigation arising from the financial crisis, among other matters.

In addition, *Lawdragon* magazine, which has named Jerry one of the "100 Securities Litigators You Need to Know," one of the "500 Leading Lawyers in America," and one of America's top 500 "Rising Stars" in the legal profession, also profiled him as part of its "Lawyer Limelight" special series, discussing subprime litigation, his passion for plaintiffs' work and the trends he expects to see in the market. Recognized as one of an elite group of notable practitioners, *Chambers USA* continuously ranks Jerry nationally "for his expertise in a range of cases on the plaintiff side." He was also named a "Litigation Star" by *Benchmark Litigation*, recommended by the *Legal 500 USA* guide in the field of plaintiffs' securities litigation, and has been selected by Thomson Reuters as a *Super Lawyer* every year since 2006.

In the wake of the financial crisis, he advised the firm's institutional investor clients on their rights with respect to claims involving transactions in residential mortgage-backed securities (RMBS) and collateralized debt obligations (CDOs). His work representing Cambridge Place Investment Management Inc. on claims under Massachusetts state law against numerous investment banks arising from the purchase of billions of dollars of RMBS was featured in a 2010 *New York Times* article by Gretchen Morgenson titled, "[Mortgage Investors Turn to State Courts for Relief.](#)"

Jerry also represented the New York State Teachers' Retirement System in a securities litigation against the General Motors Company arising from a series of misrepresentations concerning the quality, safety, and reliability of the Company's cars, which resulted in a \$300 million settlement. He was also a member of the litigation team responsible for the successful prosecution of *In re Cendant Corporation Securities Litigation* in the District of New Jersey, which was resolved for \$3.3 billion. In addition, he is actively involved in the firm's prosecution of highly successful M&A litigation, representing shareholders in widely publicized lawsuits, including the litigation arising from the proposed acquisition of Caremark Rx, Inc. by CVS Corporation — which led to an increase of approximately \$3.5 billion in the consideration offered to shareholders.

A graduate of the Wharton School of Business, University of Pennsylvania and Brooklyn Law School, in 1995-96, Jerry served as a law clerk to the Hon. Steven M. Gold, U.S.M.J., in the United States District Court for the Eastern District of New York.

Jerry lectures to institutional investors at conferences throughout the country, and has written or substantially contributed to several articles on developments in securities and corporate law, including his most recent article, "[SEC Statement On Emerging Markets Is A Stunning Failure](#)," which was published by *Law360* on April 27, 2020. He has authored numerous additional articles, including: "Improving Multi-Jurisdictional, Merger-Related Litigation," American Bar Association (February 2011); "The Compensation Game," *Lawdragon*, (Fall 2006); "Institutional

Investors as Lead Plaintiffs: Is There A New And Changing Landscape?," 75 *St. John's Law Review* 31 (Winter 2001); "The Duty To Supervise, Poser, Broker-Dealer Law and Regulation," 3rd Ed. 2000, Chapter 15; "Derivative Litigation In New York after *Marx v. Akers*," *New York Business Law Journal*, Vol. 1, No. 1 (Fall 1997).

He has also been a commentator for the business media on television and in print. Among other outlets, he has appeared on NBC's *Today*, and CNBC's *Power Lunch*, *Morning Call*, and *Squawkbox* programs, as well as being featured in *The New York Times*, *Financial Times*, *Bloomberg*, *The National Law Journal*, and the *New York Law Journal*.

**Education:** Brooklyn Law School, 1995, J.D., *cum laude*; Wharton School of the University of Pennsylvania, 1991, B.S., Economics

**Bar Admissions:** New York; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York; United States Court of Appeals for the Second Circuit

**Jonathan Uslaner** prosecutes class and direct actions on behalf of the firm's institutional investor clients and has litigated many of the firm's most high-profile litigations, including *In re Bank of America Securities Litigation*, which resulted in a historic settlement shortly before trial of \$2.43 billion, one of the largest shareholder recoveries ever obtained; *In re Wells Fargo & Company Securities Litigation*, which resulted in a \$1 billion settlement, the largest recovery ever in a securities class action not involving a restatement, an SEC action, or DOJ criminal charges; *In re Cobalt International Energy, Inc. Securities Litigation*, which resulted in settlements totaling up to \$335.3 million after years of hard-fought litigation; *In re Genworth Financial, Inc. Securities Litigation*, which settled for \$219 million, the largest recovery ever obtained in a securities class action in Virginia; *In re JPMorgan Chase & Co. Securities Litigation*, which settled for \$150 million; *In re Wells Fargo Mortgage-Backed Certificates Litigation*, which settled for \$125 million; *In re Rayonier Securities Litigation*, which settled for \$73 million; *In re Mohawk Industries Inc.*, which settled for \$60 million; and *In re RH, Inc. Securities Litigation*, which settled for \$50 million.

Jonathan is also actively involved in the firm's direct action opt-out practice. He represented numerous clients in opt-out actions brought against American Realty Capital Properties, which resulted in settlements totaling \$85 million, and more recently represented 18 institutional clients in opt-out actions brought against Valeant Pharmaceuticals, Inc., which resulted in confidential settlements.

Jonathan is an editor of the American Bar Association's *Class Actions and Derivative Suits Committee's Newsletter*. He has authored numerous articles relating to class actions and the federal securities laws, which have appeared in *Pensions & Investments*, and *SACRS Magazine*, and has a recurring column with *Reuters*. Jonathan has also been a member of the Board of Governors of the Association of Business Trial Lawyers (ABTL).

For his achievements, Jonathan has been recognized by noted legal industry ranking guide *Chambers USA*, with the guide describing him as an "expert plaintiff securities litigator," and quoting market sources who describe Jonathan as "an excellent lawyer and a strong advocate for his clients" and "a fierce advocate for his clients and tough opponent." Jonathan has also been recognized by *Benchmark Litigation* as a "Litigation Star" and as a member of the "500 Leading Plaintiff Financial Lawyers" list by *Lawdragon*.

Jonathan is a board member of UCPLA, a non-profit organization dedicated to advancing the independence, productivity and full citizenship of individuals with developmental and intellectual disabilities. He serves on UCPLA's

Nominating and Governance Committee and its Merger Committee. He has also been a board member of Home of Guiding Hands, a non-profit organization that serves individuals with developmental disabilities and their families. For his work and contributions to the organization, he was named "Volunteer of the Year."

Prior to joining BLB&G, Jonathan was a senior litigation associate at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he successfully prosecuted and defended claims from the discovery stage through trial. He also gained significant trial experience as a volunteer prosecutor for the City of Inglewood, California, as well as a judicial extern for Justice Steven Wayne Smith of the Supreme Court of Texas.

**Education:** The University of Texas School of Law, 2005, J.D., University of Texas Presidential Academic Merit Fellowship; Articles Editor, Texas Journal of Business Law; Duke University, 2001, B.A., *magna cum laude*, William J. Griffith Award for Leadership; Chairperson, Duke University Undergraduate Publications Board

**Bar Admissions:** California; United States District Court for the Central District of California; United States District Court for the Northern District of California; New York; United States District Court for the Southern District of New York

## Senior Counsel

**Alec Coquin** practices out of the firm's New York office, where he primarily prosecutes securities fraud and shareholder rights litigation on behalf of the firm's institutional clients. Alec is currently a member of the teams prosecuting *Camelot Event Driven Fund v. Morgan Stanley* and *City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*

Alec comes to BLB&G with nearly a decade of experience representing shareholders in complex litigation, most recently practicing at one of the nation's leading securities litigation firms. Alec has supported teams that helped investors recover hundreds of millions of dollars in securities class actions during his career.

Alec received his J.D. from St. John's University School of Law, *cum laude*, where he served as the Associate Managing Editor of the *St. John's Law Review*, and his B.A. from Wesleyan University.

**Education:** St. John's University School of Law, 2014, J.D. Wesleyan University, 2008, B.A.

**Bar Admissions:** New York Supreme Court, Appellate Division, Second Department; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York; United States District Court for the Eastern District of Michigan; United States Court of Appeals for the Second Circuit; United States Court of Appeals for the Ninth Circuit

**David Duncan's** practice concentrates on the settlement of class actions and other complex litigation and the administration of class action settlements.

Prior to joining BLB&G, David worked as a litigation associate at Debevoise & Plimpton, where he represented clients in a wide variety of commercial litigation, including contract disputes, antitrust and products liability litigation, and in international arbitration. In addition, he has represented criminal defendants on appeal in New York State courts and has successfully litigated on behalf of victims of torture and political persecution from Sudan, Côte d'Ivoire and Serbia in seeking asylum in the United States.



While in law school, David served as an editor of the *Harvard Law Review*. After law school, he clerked for Judge Amalya L. Kearsse of the U.S. Court of Appeals for the Second Circuit.

**Education:** Harvard Law School, 1997, J.D.; *magna cum laude*; Harvard College, 1993, A.B., *magna cum laude*, Social Studies

**Bar Admissions:** New York; Connecticut; United States District Court for the Southern District of New York

**Michael Mathai's** practice focuses on securities fraud, corporate governance, and shareholder rights litigation.

Since joining the firm, Michael has helped investors achieve over \$3 billion in recoveries, including in litigation against *Allergan*, *Allianz*, *CenturyLink*, *Henry Schein*, *McKesson*, *Mohawk*, *SCANA*, *Signet Jewelers*, and *Wells Fargo*. He is currently a senior member of the teams prosecuting securities class actions against *Boeing*, *Cerence*, *Grand Canyon Education*, *Energy Transfer*, and *NVIDIA*.

Prior to joining the firm, Michael was associated with a prestigious multinational law firm, where he represented financial services and other companies in litigation in state and federal court. He also gained considerable experience representing companies and individuals in investigations and inquiries by regulatory bodies, including the SEC, DOJ, FTC, and FINRA.

**Education:** Columbia Law School, 2012, J.D., Harlan Fiske Stone Scholar; London School of Economics and Political Science, 2008, M.Sc., Economics; Harvard University, 2006, B.A., *cum laude*, Economics, with High Honors in Field

**Bar Admissions:** New York; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York; United States Court of Appeals for the Second Circuit

**John Mills'** practice focuses on negotiating, documenting, and obtaining court approval of the firm's securities, merger, and derivative settlements.

Over the past decade, John was actively involved in finalizing the following settlements, among others: *In re Wachovia Preferred Sec. and Bond/Notes Litig.* (S.D.N.Y.) (\$627 million settlement); *In re Wilmington Trust Sec. Litig.* (D. Del.) (\$210 million settlement); *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litig.* (Del. Ch.) (\$153.75 million settlement); *Medina, et al. v. Clovis Oncology, Inc., et al.* (D. Colo.) (\$142 million settlement); *In re News Corp. S'holder Litig.* (Del. Ch.) (\$139 million recovery and corporate governance enhancements); *In re Mut. Funds Invest. Litig. (MFS, Invesco, and Pilgrim Baxter Sub-Tracks)* (D. Md.) (\$127.036 million total recovery); *Fresno County Employees' Ret. Ass'n, et al. v. comScore, Inc., et al.* (S.D.N.Y.) (\$110 million settlement); *In re El Paso Corp. S'holder Litig.* (Del. Ch.) (\$110 million settlement); *In re Starz Stockholder Litig.* (Del. Ch.) (\$92.5 million settlement); *The Dep't of the Treasury of the State of New Jersey and its Div. of Invest. v. Cliffs Natural Res. Inc., et al.* (N.D. Ohio) (\$85 million settlement).

John received his J.D. from Brooklyn Law School, *cum laude*, where he was a Carswell Merit Scholar recipient and a member of *The Brooklyn Journal of International Law*. He received his B.A. from Duke University.

**Education:** Brooklyn Law School, 2000, J.D., *cum laude*, Member of *The Brooklyn Journal of International Law*; Carswell Merit Scholar recipient; Duke University, 1997, B.A.

**Bar Admissions:** New York; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York

## Associates

**Brittney Balsler** is an associate practicing out of the New York office prosecuting securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's institutional investor clients. Brittney is a member of the New York County Lawyers Association, where she serves on the Supreme Court and Abortion Rights Joint Task Force.

She is a member of the firm's case development and client advisory group, in which she, as part of a team of attorneys, financial analysts, and investigators, counsels public pension funds and other institutional investors on potential legal claims. In addition to her casework, Brittney is a member of the firm's Diversity Committee, as well as a member of [Beyond #MeToo: A Working Group on Corporate Governance, Compliance, and Risk](#). Comprised of diversity-inclusion experts, litigators, and academics, B#MT is dedicated to understanding the root causes of workplace harassment, discrimination, and misconduct and making corporate America a better and more inclusive place for all of us to work.

Prior to joining the firm, Brittney was an associate practicing broad-based litigation encompassing white collar defense, internal investigations, civil litigation, and FINRA arbitrations at Bracewell LLP. Brittney is a graduate of Notre Dame Law School, where she was president of the International Law Society and served as the managing notes editor for the *Journal of Legislation*.

**Education:** Notre Dame Law School, 2018, J.D., *cum laude*, Dean's List; Duke University, 2015, B.A., Political Science

**Bar Admissions:** New York; United States District Court for the Southern District of New York; United States District Court for the Eastern District of New York

**Caitlin Bozman** practices out of the firm's Los Angeles office and prosecutes securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's institutional investor clients. Prior to joining the firm, Caitlin was an associate at Hueston Hennigan LLP, where she practiced complex commercial litigation, managing all aspects of a case for a variety of clients. Upon graduation from law school, she clerked for the Honorable Vice Chancellor J. Travis Laster of the Delaware Court of Chancery. Prior to entering law school, Caitlin was a Foreign Exchange Operations Analyst for Morgan Stanley, where she confirmed, settled, and reconciled foreign exchange cash and derivative trades for institutional clients. Caitlin graduated *magna cum laude* from Georgetown University Law Center, where she was an Executive Articles Editor for The Georgetown Law Journal and co-director and competing member of the Trial Advocacy Division of the Barristers' Council. She authored the student note, "Holding the Line or Changing Tides? The Future of 'Too Big to Fail' Regulation." During law school, she also served as a legal intern for the Division of Trading and Markets of the U.S. Securities and Exchange Commission. Caitlin graduated *cum laude* from University of Maryland, Baltimore County ("UMBC") with her B.A. in sociology and political science, with a minor in legal policy. During her undergrad, she was the Vice President and a founding member of the UMBC Mock Trial Team.

**Education:** Georgetown University Law Center, 2019, J.D., *magna cum laude*, Order of the Coif; University of Maryland, Baltimore County, 2014, B.A., *cum laude*, Sociology and Political Science

**Bar Admissions:** New York; California; United States District Court for the Northern District of California

**Mathews de Carvalho** practices out of the firm's New York office and prosecutes securities fraud, corporate governance, and shareholder rights litigation on behalf of the firm's institutional investor clients.

Prior to joining the firm, Mathews was a member of the securities litigation group at Weil, Gotshal & Manges LLP, focusing on securities class actions and corporate governance suits. He was also involved with several pro bono projects, including a criminal defense appeal and work with the Innocence Project.

Mathews received his J.D. from New York University School of Law, where he served as Competitions Executive Editor of the Moot Court Board and was a member of the Order of Barristers. He received degrees in Political Science and Sociology from Fordham University. After graduating from law school, Mathews served as a law clerk for the Honorable Matthew W. Brann of the U.S. District Court for the Middle District of Pennsylvania.

**Education:** New York University School of Law, 2019, J.D. Fordham University, 2013, B.A., Political Science; Sociology

**Bar Admissions:** New York; United States District Court for the Southern District of New York

## Senior Staff Attorneys

**Matt Mulligan** is a senior staff attorney practicing out of the New York office. Since joining the firm in 2008, he has focused on the prosecution of securities fraud class actions.

As part of the BLB&G team, Matt has helped litigate numerous cases that have resulted in significant recoveries for shareholders, including *In re Merck Vioxx Securities Litigation*, *In re SunEdison, Inc. Securities Litigation*, *Minneapolis Firefighters' Relief Association v. Medtronic, Inc. et al.*, *In re Bristol-Myers Squibb Co. Securities Litigation*, and *In re Green Mountain Coffee Roasters, Inc. Securities Litigation*.

Matt is a graduate of the Tulane University Law School.

**Education:** Tulane University Law School, 2004, J.D.; Trinity University, 2001, B.A., Political Science and Russian Studies

**Bar Admissions:** New York

**Damian Puniello** practices out of the firm's New York office, where he prosecutes securities fraud, corporate governance and shareholder rights litigation on behalf of the firm's institutional clients. Before joining the firm, Damian was an attorney at a smaller plaintiffs' firm, where he represented plaintiffs in complex securities class actions. Prior to joining his previous firm, he worked at the New York County District and Kings County District Attorney's Offices, as well as interned at the New York State Attorney General's Office, Antitrust Division. While at BLB&G, Damian has worked on both securities fraud and Department of Governance cases, which have successfully recovered hundreds of millions of dollars for investors. Some cases of note are *Wilmington Trust, Allergan Proxy Violation Litigation*, *Wells Fargo & Company*, *In re Genworth Financial Inc*, *ComScore Inc.*, *Qualcomm, Inc.*, *Cummings v. Edens (New Senior Investment Group)*, and *In re Xerox Corporation*. Damian obtained his B.A. from Rutgers University, majoring in History and Art History, graduating with honors, and his J.D. from Brooklyn Law School.

**Education:** Brooklyn Law School, 2009, J.D.; Rutgers University, 2000, B.A.

**Bar Admissions:** New York; New Jersey; Pennsylvania; United States District Court for the District of New Jersey

**Megan Taggart** is a senior staff attorney practicing out of the New York office. She has represented the firm's institutional investor clients in securities fraud-related matters including, *Wells Fargo, In re Signet Jewelers Limited Securities Litigation, In re Willis Towers Watson plc Proxy Litigation, and In re Valeant Pharmaceuticals Third-Party Payor Litigation*. Prior to joining the firm, Megan practiced as an attorney at a plaintiffs' firm and as an associate at a New York firm that handled large commercial litigation cases. Megan received her J.D. from Fordham University School of Law, where she served as an editor of the Sports Law Forum and also interned at the New York City Council. She graduated with honors from Northwestern University.

**Education:** Fordham University School of Law, 2009, J.D., Adele L. Monaco Memorial, Archibald Murray Public Service Awards; Northwestern University, 1998, B.A., Senior Honor Thesis, Political Science and International Studies focused on the Middle East

**Bar Admissions:** New York; United States District Court for the Southern District of New York

## Staff Attorneys

**Colleen M. Delaney** [Former Staff Attorney] worked on *In re The Boeing Company Aircraft Securities Litigation*; and *City Of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc., Sanjay Dhawan and Mark J. Gallenberger*.

Prior to joining the firm, Colleen worked as an e-discovery contract attorney for several law firms.

**Education:** Rhode Island School of Design and Rhode Island College (RIC Teachers' College), B.A., 1995; Roger Williams University School of Law, J.D., 2000.

**Bar Admissions:** New York. Rhode Island

**Kesav Wable** [Former Staff Attorney] worked on numerous matters at BLB&G including *In Re Kraft Heinz Company Derivative Litigation, Cambridge Retirement System v. Amneal Pharmaceuticals, Inc. et al, In Re Novo Nordisk Securities Litigation; In Re: SunEdison, Inc. Securities Litigation*; and *City Of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc., Sanjay Dhawan and Mark J. Gallenberger*.

Prior to joining the firm, Kesav was a staff attorney with various law firms including Quinn Emanuel Urquhart & Sullivan, MoloLamken LLP and Bleichmar Fonti Tountas & Auld.

**Education:** Haverford College, PA, B.A. 2002. Brooklyn Law School, J.D., 2008

**Bar Admissions:** New York

# **Exhibit 5B**

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF JOSHUA H. SALTZMAN ON BEHALF OF  
SAXENA WHITE P.A. IN SUPPORT OF LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

I, Joshua H. Saltzman declare under penalty of perjury as follows:

1. I am a Director at the law firm Saxena White P.A. (“Saxena White”), counsel for Lead Plaintiff Public Employees’ Retirement System of Mississippi (“Mississippi” or “Lead Plaintiff”), and co-Lead Counsel for the proposed Settlement Class in the above-captioned action (“Action”).<sup>1</sup> I submit this declaration in support of Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses (the “Fee Motion”). Unless otherwise stated, I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. My firm, as co-Lead Counsel for Lead Plaintiff and the Settlement Class, was involved in all aspects of the prosecution and resolution of the Action, as set forth in the Joint Declaration of Joshua H. Saltzman and John Rizio-Hamilton in Support of (I) Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses.

3. The schedule attached hereto as Exhibit 1 is a detailed summary of the amount of time spent by each Saxena White attorney and professional support staff employee who devoted ten (10) or more hours to the Action from its inception through and including October 31, 2024, and the lodestar calculation for those individuals based on their current hourly rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the hourly rates for such personnel in their final year of employment with my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by Saxena White. All time expended in preparing this application for fees and expenses has been excluded.

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation of Settlement dated September 6, 2024 (ECF No. 72-1).

4. The number of hours expended by Saxena White in the Action, from inception through October 31, 2024, as reflected in Exhibit 1, is 4,706. The lodestar for my firm, as reflected in Exhibit 1, is \$2,720,882.50.

5. The hourly rates for the Saxena White attorneys and professional support staff employees included in Exhibit 1 are their standard current rates and are the same as, or comparable to, the rates submitted by my firm and accepted by courts for lodestar cross-checks in other class action fee applications. *See, e.g., In re FibroGen, Inc., Sec. Litig.*, Case No. 3:21-cv-02623-EMC (N.D. Cal. Aug. 1, 2024), ECF No. 259 (approving fee based on lodestar cross-check using Saxena White's 2024 rates); *In re James River Group Holdings, Ltd. Sec. Litig.*, Case No. 3:21-cv-00444-DJN (E.D. Va. May 24, 2024), ECF No. 131 (same); *Sheet Metal Workers Local 19 Pension Fund v. ProAssurance Corp.*, Case No. 2:20-cv-00856-RDP (N.D. Ala. Jan. 17, 2024), ECF No. 171 (approving fee based on lodestar cross-check using Saxena White's 2023 rates); *Hayden v. Portola Pharmaceuticals Inc.*, Case No. 3:20-cv-00367-VC (N.D. Cal. Mar. 6, 2023), ECF No. 259 (same); *Fulton County Employees' Ret. Sys. v. Blankfein*, Case No. 1:19-cv-01562-VSB (S.D.N.Y. Jan. 20, 2023), ECF No. 106 (same); *Plymouth County Ret. Sys. v. Evolent Health Inc.*, Case No. 1:19-cv-01031-MSN-WEF (E.D. Va. Nov. 18, 2022), ECF No. 257 (same, using Saxena White's 2022 rates); *In re Novo Nordisk Sec. Litig.*, Case No. 3:17-cv-00209-ZNQ-LHG (D.N.J. July 13, 2022), ECF No. 361 (same); *Plymouth County Ret. Sys. v. Patterson Companies, Inc.*, Case No. 0:18-cv-00871-MJD-HB (D. Minn. June 10, 2022), ECF No. 267 (same); *In re Merit Medical Systems, Inc. Sec. Litig.*, Case No. 8:19-cv-02326-DOC-ADS (C.D. Cal. Apr. 15, 2022), ECF No. 118 (same); *In re Perrigo Company PLC Sec. Litig.*, Case No. 1:19-cv-00070-DLC (S.D.N.Y. Feb. 18, 2022), ECF No. 331 (same); *Teamsters Local 456 Pension Fund v. Universal Health Services, Inc.*, Case No. 2:17-cv-02817-JHS (E.D. Pa. July 21, 2021), ECF No. 90 (same, using Saxena White's 2021



rates); *Peace Officers' Annuity and Benefit Fund of Georgia v. DaVita, Inc.*, Case No. 1:17-cv-00304-WJM-NRN (D. Colo. July 15, 2021), ECF No. 122 (same); *Plymouth County Ret. Sys. v. GTT Communications, Inc.*, Case No. 1:19-cv-00982-CMH-MSN (E.D. Va. Apr. 23, 2021), ECF No. 97 (same); *Keippel v. Health Insurance Innovations, Inc.*, Case No. 8:19-cv-00421-WFJ-CPT (M.D. Fla. Mar. 23, 2021), ECF No. 112 (same); *In re HD Supply Holdings, Inc. Sec. Litig.*, Case No. 1:17-cv-02587-ELR (N.D. Ga. July 21, 2020), ECF No. 102 (same, using Saxena White's 2020 rates); *Milbeck v. TrueCar, Inc.*, Case No. 2:18-cv-02612-SVW-AGR (C.D. Cal. Jan. 27, 2020), ECF No. 185 (same).

6. My firm's rates are set based on periodic analysis of rates used by firms performing comparable work and that have been approved by courts. Different timekeepers within the same employment category (*e.g.*, Directors, Senior Attorneys, Attorneys, Paralegals, etc.) may have different rates based on a variety of factors, including years of practice, years at the firm, year in the current position (*e.g.*, years as a Director), relevant experience, relative expertise, and the rates of similarly experienced peers at our firm or other firms.

7. Saxena White reviewed its time and expense records to prepare this Declaration. The purpose of this review was to confirm both the accuracy of the time entries and expenses and the necessity for, and reasonableness of, the time and expenses committed to the litigation. I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought as stated in this Declaration are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the litigation.

8. As set forth in Exhibit 2 hereto, Saxena White is seeking payment for \$57,887.91 in expenses incurred in connection with the prosecution and resolution of the Action. Expense

items are reported separately and are not duplicated in my firm's hourly rates. The following is additional information regarding certain of these expenses:

(a) **Experts & Consultants** (\$40,950.00). As discussed in the Joint Declaration, Lead Plaintiff retained and consulted with several highly qualified experts to assist in the prosecution of this Action. Saxena White's expense report includes 50% of expenses incurred in connection with retention of Steven Feinstein of Crowninshield Financial Research, Lead Plaintiff's principal expert on financial economics including loss causation and damages, as well as 100% of certain other expert and consultant expenses that were paid entirely by Saxena White—specifically, expenses paid to Financial Markets Analysis LLC for preliminary damages and loss causation analysis at the pleading stage, and to Marcum LLP for analysis of potential accounting issues relating to the alleged fraud at the pleading stage.

(b) **Online Legal and Factual Research** (\$6,868.27). The charges reflected are for out-of-pocket payments to vendors such as Westlaw, Lexis/Nexis, Court Alert, and PACER for research done in connection with this litigation. These resources were used to obtain access to court filings, to conduct legal research and cite-checking of briefs, and to obtain factual information regarding the claims asserted. These expenses represent the actual expenses incurred by Saxena White for use of these services in connection with this litigation. There are no administrative charges included in these figures. Online research is billed to each case based on actual usage at a charge set by the vendor. When Saxena White utilizes online services provided by a vendor with a flat-rate contract, access to the service is by a billing code entered for the specific case being litigated. At the end of each billing period, Saxena White's costs for such services are allocated to specific cases based on the percentage of use in connection with that specific case in the billing period.

(c) **Transportation** (\$1,336.46). Saxena White seeks reimbursement of costs incurred in connection with travel in connection with the Action, which includes costs for attorneys from Saxena White to travel to the Court hearings in this action, including the final approval hearing. Airfare is capped at coach rates.

(d) **Meals and Meetings** (\$367.38). These costs were incurred in connection with working meals, including while travelling in connection with the Action. Out of office working meals are capped at \$25 per person for lunch and \$50 per person for dinner; in-office working meals are capped at \$25 per person for lunch and \$40 per person for dinner; and travel meals are capped at \$20 per person for breakfast, \$25 per person for lunch, and \$50 per person for dinner.

(e) **Lodging** (\$301.53). These costs were incurred in connection with the final approval hearing in this action. Hotel charges per night are capped at \$350.

(f) **Mediation** (\$7,825.00). Saxena White paid 50% of Lead Plaintiff's share of fees paid to Phillips ADR for the services of the mediator, Greg Danilow. Mr. Danilow conducted the formal mediation session on August 14, 2024 and facilitated additional settlement negotiations in the week following the mediation.

9. The expenses incurred by Saxena White in the Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. I believe these expenses were reasonable and necessary and expended for the benefit of the Settlement Class in the Action.

10. With respect to the standing of my firm, attached as Exhibit 3 is a firm résumé, which includes information about Saxena White and biographical information concerning the firm's attorneys.

I declare, under penalty of perjury that the foregoing is true and correct. Executed on November 11, 2024.

/s/ Joshua H. Saltzman  
Joshua H. Saltzman

**EXHIBIT 1**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence, Inc.*  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**SAXENA WHITE P.A.****TIME REPORT**

From Inception through October 31, 2024

<b>NAME</b>	<b>TITLE</b>	<b>HOURS</b>	<b>RATE</b>	<b>TOTAL</b>
Singer, Steven	Director of Litigation	126.50	\$1,085.00	\$137,252.50
Avan, Rachel	Director	76.50	\$ 825.00	\$63,112.50
Hooker, Lester	Director	94.25	\$ 990.00	\$93,307.50
Saltzman, Joshua	Director	401.25	\$ 825.00	\$331,031.25
DiLeo, Sara	Sr. Attorney	318.00	\$ 795.00	\$252,810.00
Alvite, Mario	Attorney	44.50	\$ 525.00	\$23,362.50
Coquin, Alec*	Attorney	345.75	\$ 660.00	\$228,195.00
Guarcello, Scott	Attorney	261.50	\$ 685.00	\$179,127.50
Krumper, Justin	Attorney	512.25	\$ 400.00	\$204,900.00
Miller, Jill	Attorney	123.00	\$ 595.00	\$73,185.00
Atkinson, Nicholas	Staff Attorney	81.50	\$ 460.00	\$37,490.00
Campbell, Hope	Staff Attorney	93.50	\$ 400.00	\$37,400.00
Fassberg, Michele	Staff Attorney	19.50	\$ 460.00	\$8,970.00
Heydt, Tara	Staff Attorney	326.50	\$ 460.00	\$150,190.00
Joseph, Ryan	Staff Attorney	39.25	\$ 400.00	\$15,700.00
Kanner Bonk, Valerie	Staff Attorney	25.00	\$ 400.00	\$10,000.00
Nilsen, Rebecca	Staff Attorney	68.25	\$ 460.00	\$31,395.00
Sciarrino, Christine	Staff Attorney	318.75	\$ 460.00	\$146,625.00
Taher, Zerine	Staff Attorney	74.50	\$ 400.00	\$29,800.00
Thompson, Karen	Staff Attorney	346.75	\$ 400.00	\$138,700.00
Pontrelli, Jerome	Chief of Investigations	357.75	\$ 575.00	\$205,706.25
Wroblewski, Rian	Head of Investigative Intel.	300.00	\$ 490.00	\$147,000.00
Grobler, Marc	Mgr., Case Development	60.00	\$ 325.00	\$19,500.00
Jones, Samuel	Sr. Financial Analyst	66.00	\$ 450.00	\$29,700.00
Smith, Brandon	Paralegal/Case Mgr.	71.75	\$350.00	\$25,112.50
Worms, Wolfram	Case Starting Analyst	153.50	\$ 660.00	\$101,310.00
	<b>TOTALS</b>	<b>4,706.00</b>		<b>\$2,720,882.50</b>

\* Mr. Coquin was an attorney at Saxena White until April 2023. In April 2023, he became an attorney at Bernstein Litowitz Berger & Grossmann LLP, and thus also appears on that firm's lodestar chart.

**EXHIBIT 2**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence, Inc.*  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**SAXENA WHITE P.A.****EXPENSE REPORT**

From inception through November 7, 2024

<b>CATEGORY</b>	<b>AMOUNT</b>
Experts/Consultants	\$ 40,950.00
Marcum LLP	\$ 6,687.50
Financial Markets Analysis, LLC	\$10,400.00
Crowninshield Financial Research	\$ 23,862.50
Online Legal and Factual Research	\$ 6,868.27
Transportation, Meals, Meetings, and Lodging	
Transportation	\$ 1,336.46
Lodging	\$ 301.53
Meals and Meetings	\$ 367.38
Mediation	\$ 7,825.00
Printing and Photocopying	\$ 66.50
Postage and Delivery	\$ 172.77
<b>TOTAL</b>	<b>\$ 57,887.91</b>

**EXHIBIT 3**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence, Inc.*  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**SAXENA WHITE P.A.**

**FIRM RESUME**



# SAXENA WHITE

“A highly experienced  
group of lawyers  
with national reputations in large securities class actions...”

*- Hon. Alan Gold, U.S. District Court, Southern District of Florida*

## **FIRM RESUME**

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## SAXENA WHITE

Saxena White P.A. was founded in 2006 by Maya Saxena and Joseph White. After spending many years at one of the country's largest class action law firms, we wanted to do business a different way. Our goal in forming the Firm was to become big enough to handle prominent and complex litigation while remaining small enough to offer each client responsive, ethical, and personalized service.

Today our Firm's capabilities exceed those of our largest competitors. We obtain victories against major corporations represented by the nation's top defense firms. We represent some of the largest pension funds in major securities fraud cases and have recovered billions of dollars on behalf of injured investors. We have succeeded in improving how corporations do business by requiring the implementation of significant corporate governance reforms. We have formed long-lasting relationships with our clients who know we are only a phone call away. However, the most important attribute of the Firm, and the key to its continued success, is the people. Saxena White was built upon the quality, integrity, and camaraderie, of its people — attributes that continue to be its greatest legacy.

### ***What Makes us Different?***

- *We are proud to be a nationally certified woman- and minority-owned securities litigation firm specializing in representing institutional investors.*
- *We take a selective approach to litigation, recommending only a few fraud cases per year and litigating them aggressively.*
- *The securities fraud cases in which we have served as lead counsel are rarely dismissed due to our careful selection criteria.*
- *We offer tailored portfolio monitoring services to our clients that reflect their individual philosophies toward litigation.*
- *We emphasize community outreach and welcome opportunities to support our clients in their communities.*



## NOTABLE RECOVERIES

### ■ *In re Wells Fargo & Company Shareholder Derivative Litigation*

This landmark case alleged that the Board and executive management of Wells Fargo & Company knew or consciously disregarded that Wells Fargo employees were illicitly creating millions of deposit and credit card accounts for their customers, without those customers' consent, in an attempt to drive up "cross selling," i.e., selling complementary Wells Fargo banking products to prospective or existing customers.

Over significant competition from the top law firms in our industry, the court selected Saxena White as one of the two firms most qualified in the nation to lead this high-profile case, noting the superior quality of the work performed. Through this shareholder derivative action, Saxena White held Defendants accountable for a scandal that has significantly damaged one of America's largest financial institutions.

Saxena White zealously advocated for the interests of the company and obtained excellent results. After a thorough investigation of the relevant claims; the filing of a detailed complaint; successfully defeating two motions to dismiss; active intervention in, stays of, and dismissals of multiple state court actions; consolidation and coordination with related federal actions; extensive review of over 3.5 million pages of documents; and consultation with experts, a \$240 million settlement was reached in this derivative action. The settlement included the \$240 million cash payment from Defendants' insurers - which at the time was the largest insurance-funded monetary component of any shareholder derivative settlement.

In approving this historic settlement, the court remarked that "this represents an excellent result for the shareholders" of Wells Fargo. The court noted "the risk" that Saxena White "took in litigation on a contingency basis - a risk they have borne for more than three years."

### ■ *In re Wilmington Trust Securities Litigation*

This historic \$210 million recovery was the culmination of eight years of hard-fought litigation against Wilmington Trust. Our investigation revealed rampant misconduct related to Wilmington Trust's loan underwriting practices, its manipulation of the asset review process, and its violations of numerous accounting practices and standards, all designed to conceal the bank's true financial state.

Following extensive briefing and discovery, the court certified a class, and in doing so, created important precedent for aggrieved shareholders nationwide who have fallen victim to securities fraud. The court's opinion rejected Defendants' argument that the Supreme Court's opinion in *Comcast Corp. v. Behrend*, 569 U.S. 27 (2013) requires plaintiffs to submit a damages methodology and model at the class certification stage. Having defeated an argument that securities fraud defendants frequently relied upon to avoid liability for their illegal actions, Saxena White's precedent-setting efforts provided investors with a powerful weapon for combatting corporate wrongdoing at the class certification stage. In addition to certifying the class, the court applauded Saxena White's "excellent lawyers" and noted that Ms. Saxena's "argument was very well argued."

The Firm embarked on a monumental discovery effort, closely reviewing and analyzing nearly 13 million pages of documents. After two years of hard-fought motion practice, we successfully compelled the Federal Reserve and the Office of the Comptroller of the Currency to waive the bank examination privilege for over 35,000 documents that those regulators had withheld. Compelling the production of such documents was a rare feat and was the culmination of a multi-year effort to relentlessly fight for the information and facts that were relevant to the prosecution of the case. We also prevailed over the U.S. Attorney's Office,



successfully moving to lift the discovery stay imposed at its request. As a result, we were able to depose key fact witnesses. In all, we deposed 39 witnesses in seven states, which generated nearly 11,000 pages of testimony and almost 900 exhibits.

This remarkable settlement resulted in a recovery of nearly 40% of the class's maximum likely recoverable damages, eight times greater than the 5% median recovery in the Third Circuit in 2018. At the time of settlement, the recovery ranked among the top ten securities fraud settlements in the Third Circuit, and was in the top 5% of all securities fraud settlements since the PSLRA was enacted in 1995. Notably, the court twice observed that Saxena White achieved the recovery independently of the Government's criminal investigation. The court was also complimentary of the "legal prowess" exhibited by Saxena White's "highly experienced attorneys."

### ■ ***Employees Retirement System of the City of St. Louis v. Charles E. Jones (FirstEnergy Corp. Derivative Litigation)***

Saxena White secured a landmark settlement of a shareholder derivative action against utility company FirstEnergy Corp.'s board of directors and certain officers, which included a cash payment of \$180 million and unprecedented corporate governance reforms. At the time of settlement, the \$180 million recovery represented the largest shareholder derivative recovery in the history of the Sixth Circuit and was among the highest derivative recoveries ever achieved, in any forum, in the history of the U.S.

The action alleged that FirstEnergy's board of directors failed to properly oversee the company's corporate political activities, allowing FirstEnergy personnel and lobbyists to bribe elected officials with over \$60 million in corporate funds. Commenting on the indictments, which made national headlines, the U.S. Attorney called this illicit political spending "likely the largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio." Saxena White aggressively pursued the derivative litigation, which spanned multiple trial courts and the U.S. Court of Appeals for the Sixth Circuit.

In addition to the \$180 million monetary recovery, FirstEnergy agreed to implement unprecedented corporate governance reforms, including the departures of six defendants from the company's board of directors. The settlement also required the board to enact new reforms designed to ensure that the company's political and lobbying activities comply with the law. In approving the settlement, the federal court overseeing the litigation stated that the litigation team was "at the top of their class nationally" and noted that the reforms achieved by Saxena White were broader and more comprehensive than even those reforms imposed on the company by the Department of Justice.

### ■ ***Peace Officers' Annuity and Benefit Fund of Georgia v. DaVita Inc.***

After four years of complex litigation, Saxena White secured an outstanding recovery of \$135 million. At the time of settlement, the \$135 million recovery represented the second largest all-cash securities class action recovery ever obtained in the District of Colorado, ranking among the Tenth Circuit's top five securities fraud class action recoveries in history. This settlement also ranked as the third largest North American securities class action settlement of 2021. Additionally, the settlement amount consisted not only of the proceeds from Defendants' insurance tower, but also included a substantial monetary contribution from DaVita—a rare occurrence in securities class actions that underscores the exceptional nature of the recovery and the tenacity of Saxena White in achieving it.

Before agreeing to settle the case against DaVita, Saxena White undertook extensive efforts to advance the class's claims and to ensure that Plaintiffs were in a position to maximize their recovery. Significantly,



Saxena White not only initiated this action by filing the initial complaint, but the Firm also filed the only leadership application at the lead plaintiff stage—a rare occurrence in these types of cases, where the PSLRA specifically requires publication of notice of the lead plaintiff deadline, typically resulting in multiple lead plaintiff applications. Thus, absent the efforts of Saxena White, it is almost certain that settlement class members would have recovered nothing for their claims.

### ■ *In re Novo Nordisk Securities Litigation*

Saxena White represented Co-Lead Plaintiff Employees' Pension Plan of the City of Clearwater in a securities class action against Novo Nordisk A/S and several of its top executives, which resulted in a \$100 million settlement for the class—the eighth largest shareholder class action settlement of 2022.

The complaint alleged that Novo Nordisk, a global healthcare company and one of three diabetes-drug producers that dominated the U.S. and global insulin market, defrauded investors by falsely attributing its revenues and growth to purported innovation and product-specific qualities. According to the complaint, however, Novo's financial results were driven by a scheme in which the company paid increasingly large kickbacks to pharmacy benefit managers in exchange for market access, while Novo raised list prices for its drugs in lockstep with its competitors in order to support the ever-growing kickbacks.

The \$100 million settlement followed more than four years of litigation, including the review of over five million pages of documents, over 40 depositions, and extensive summary judgment briefing.

### ■ *In re Lehman Brothers Equity/Debt Securities Litigation*

After conducting an extensive investigation into Lehman Brothers and its executives, Saxena White was the first firm to file a complaint alleging violations of the federal securities laws. Subsequent events, including the largest bankruptcy filing in U.S. history, interjected unique challenges to prosecuting this case – not the least of which was that because Lehman itself was in bankruptcy, damaged shareholders could not recover damages from it.

Despite these formidable obstacles, we continued to prosecute the case. Our efforts paid off. In the spring of 2012, the court approved a \$90 million partial settlement with Lehman's senior executives and directors, and a \$426 million settlement with several dozen underwriters of its securities. After nearly two more years of hard-fought litigation, we reached a \$99 million settlement with Ernst & Young, Lehman's outside auditor, which was approved in the spring of 2014. The \$99 million settlement ranks among the largest ever obtained from an outside auditor and is an outstanding recovery for damaged shareholders.

### ■ *Fulton County Employees Retirement System, derivatively on behalf of The Goldman Sachs Group, Inc. v. Blankfein*

The settlement of this action by Saxena White was the culmination of more than three years of litigation on what courts across the country have noted is “possibly the most difficult legal theory in corporation law upon which a plaintiff might hope to win a judgment.”

Saxena White initiated this shareholder derivative action against current and former directors and officers of Goldman Sachs in connection with a corporate scandal and criminal conspiracy involving the Malaysian sovereign wealth fund 1MDB, for which Goldman affiliates underwrote three bond issuances in 2012 and 2013. Saxena White sought to hold Goldman's board of directors accountable for breaching their fiduciary duties by disregarding these red flags and by failing to implement appropriate internal controls and reporting



systems. Multiple criminal and civil actions were filed against Goldman across the globe, resulting in billions in fines, penalties, and disgorgement.

Saxena White obtained a \$79.5 million cash payment from Defendants' insurers, which at the time of settlement, represented the second largest derivative settlement in Second Circuit history and ranked among the top 20 such settlements ever. Plaintiff not only obtained this extraordinary cash recovery for Goldman, but it also negotiated the requirement that these funds be used solely for compliance purposes. As the Court noted in its preliminary approval order, "[t]his [requirement] is particularly significant because the gravamen of Plaintiff's allegations argue that the transactions would not have occurred had Goldman's compliance and controls been more robust and detected the highly suspicious deals and their terms." In addition, Saxena White secured significant corporate governance reforms aimed at strengthening compliance at Goldman, which the court noted "would likely be unachievable" had this case continued to trial.

### ■ *In re Rayonier Inc. Securities Litigation*

Saxena White prosecuted this class action against Rayonier for allegedly misleading investors about its timber inventory and harvesting rates in the Pacific Northwest. When the company's new management ultimately disclosed that Rayonier had overharvested its premium Pacific Northwest timberlands by over 40% each year for over a decade and overstated its merchantable timber by 20% in this critical region, the company's stock price declined significantly, causing investors substantial losses.

After litigating this case for nearly three years and defeating Defendants' motion to dismiss, Saxena White negotiated a \$73 million cash settlement on behalf of the class, which at the time of settlement, resulted in the second largest recovery from a securities class action achieved in the Middle District of Florida. The \$73 million settlement was nearly nine times the national median settlement and nearly ten times greater than the median recovery in the Eleventh Circuit. As noted by Judge Timothy J. Corrigan, this was an "exceptional result[]" achieved for the benefit of the Settlement Class."

### ■ *In re Jefferies Group, Inc. Shareholders Litigation*

The settlement of this action was one of the largest merger-related settlements in the Delaware Court of Chancery. Specifically, this shareholder class action involved the merger of investment bank Jefferies Group, Inc. with holding company Leucadia National Corporation. As alleged in the complaint, Jefferies' CEO leveraged his relationship with Leucadia's founders—who were nearing retirement and who served on Jefferies' board of directors—to merge with the larger company and take over as CEO of the combined corporation. Negotiating in secret for months before informing the independent board members, Chairman Handler and Leucadia's founders structured a deal that greatly benefitted Leucadia, to the detriment of Jefferies shareholders.

After aggressively litigating this case and defeating Defendants' motion to dismiss and motion for summary judgment, the firm ultimately negotiated a settlement that required Leucadia to pay \$70 million to class members, an outstanding result for former Jefferies shareholders.

### ■ *Plymouth County Retirement System v. Patterson Companies, Inc.*

Saxena White secured a \$63 million recovery against dental supplier Patterson Companies, Inc., which was the product of a significant effort on many fronts, including: drafting a 94-page amended complaint, surviving defendants' motion to dismiss, fully briefing class certification to a victorious outcome, reviewing several hundred thousand pages of documents, taking or defending more than three dozen depositions, engaging in



significant expert discovery, opposing defendants' motion for summary judgment, and preparing for trial. In its decision to grant class certification, the court specifically lauded Saxena White as "experienced in leading large securities class actions and hav[ing] obtained substantial recoveries for plaintiffs in such lawsuits," as well as having "demonstrated diligence and expertise in their work in this case."

Notably, at the time of the settlement's final approval, the \$63 million recovery ranked among the top ten of all settlements ever achieved in a securities class action in the District of Minnesota, the largest securities class action settlement in that District since 2012, and the third largest securities class action settlement in the Eighth Circuit over the past 10 years.

### ■ *In re Bank of America Corp. Securities, Derivative and ERISA Litigation*

This derivative case arose out of Bank of America's acquisition of Merrill Lynch during the height of the financial crisis in late 2008. After successfully defending the complaint's core allegations against multiple motions to dismiss, Saxena White embarked on an extensive discovery process that included 31 depositions of senior BofA and Merrill executives and their attorneys, the review and analysis of 3 million pages of documents from BofA, Merrill, and multiple third parties, and close consultation with nationally-recognized financial and economic experts.

The settlement included a \$62.5 million cash component and fundamental corporate governance reforms. The extensive corporate governance reforms included the creation of a Board-level committee tasked with special oversight of mergers and acquisitions, aimed at preventing the alleged deficiencies surrounding the Merrill Lynch acquisition. The corporate governance reforms also involved other components, including revisions to committee charters and director education requirements, which caused one noted scholar to observe that as a result, BofA was at the forefront of corporate governance practices.

### ■ *Central Laborers' Pension Fund v. SIRVA, Inc.*

After two and a half years of hard-fought litigation, an extensive investigation that involved conducting nearly 120 witness interviews across North America and Europe, and the review of approximately 2.7 million documents produced by defendants, Saxena White achieved a \$53.3 million settlement for shareholders of SIRVA, a then-giant among moving companies. According to the complaint, SIRVA had serious and systemic problems in its European operations, its network services segment was materially under reserved, and defendants were allegedly using the reserves and other accounting manipulations to manage SIRVA's earnings and meet SIRVA's estimates.

In addition to the significant \$53.3 million cash recovery, the corporate governance changes brought about as a result of the settlement achieved by Saxena White provided considerable additional value for SIRVA shareholders. The company formally recognized, in writing, that the lawsuit was one of the main reasons it reformed its governance standards, which confirmed that Saxena White was the key catalyst compelling SIRVA to recognize the need to change the way it conducted business.

In addition, Saxena White obtained even more governance improvements by convincing SIRVA's Board to discard their plurality (or cumulative) standard for the election of their directors in favor of a modified majority standard. This important change improved director accountability by forcing directors who do not receive a majority of the votes to tender their resignation for the Board's consideration. Furthermore, SIRVA also agreed to strengthen its requirements regarding director attendance at shareholder meetings, which created more director accountability and increased shareholder input. Importantly, judges are unable to order these types of governance changes – it was only the negotiation and litigation pressures that we imposed upon the company that enabled the implementation of these changes.



### ■ ***John Cumming v. Wesley R. Edens (New Senior Investment Group)***

Described as a “landmark” settlement by *Law360*, in 2019, the Delaware Court of Chancery approved a \$53 million settlement in a shareholder derivative action against real estate investment trust New Senior Investment Group. The suit targeted New Senior’s \$640 million acquisition of a portfolio of senior living properties owned by an affiliate of its investment manager, which, according to Plaintiff’s experts, damaged New Senior by over \$100 million. At the time, the settlement represented the largest derivative action settlement as a percentage of market capitalization in Delaware and one of the top ten derivative action settlements in the history of the Court of Chancery.

The Firm’s extensive discovery efforts in the case included the review of more than 800,000 pages of documents, 16 depositions, and the filing of six motions to compel. After extensive negotiations, the parties agreed to settle the litigation in exchange for the payment of \$53 million in cash to New Senior. The settlement also included valuable corporate governance reforms, including the board’s agreement to approve and submit to New Senior’s stockholders for adoption at the annual meeting amendments to New Senior’s bylaws and certificate of incorporation, which would (a) provide that directors be elected by a majority of the votes cast in any uncontested election of directors, and (b) eliminate New Senior’s staggered board, so that all directors are elected on an annual basis.

In his remarks at the final settlement hearing, Vice-Chancellor Joseph R. Slights called the settlement “impressive” and further described counsel’s efforts as “hard fought, but fought in the right way to reach a productive result.”

### ■ ***In re HD Supply Holdings, Inc. Securities Litigation***

Saxena White engaged in extensive litigation efforts against HD Supply, one of the largest commercial distributors in the country. This action was based on allegations that defendants falsely assured investors that HD Supply had successfully recovered from a massive supply chain breakdown that crippled the company’s operations in the months leading up to the class period. Defendants’ alleged scheme enabled HD Supply’s President and Chief Executive Officer to liquidate virtually his entire stake in the company over just five trading days at prices near the class period high, for a staggering haul of over \$53 million. Significantly, as a result of the filing of the complaint, the SEC subsequently commenced an investigation into HD Supply’s then-CEO’s alleged insider trading.

Ultimately, the parties participated in settlement negotiations through which Plaintiffs obtained a \$50 million cash settlement on behalf of the class – one of the largest securities class action settlements ever achieved in the U.S. District Court for the Northern District of Georgia.

### ■ ***In re AmTrust Financial Services, Inc. Stockholder Litigation***

Saxena White’s litigation against AmTrust and its board of directors proceeded for over four years, beginning with a shareholder derivative action filed in the U.S. District Court for the District of Delaware related to the company’s allegedly fraudulent accounting practices. When the company’s controlling shareholder family announced a plan to take the company private—which threatened the Plaintiffs’ standing in the shareholder derivative action—Saxena White investigated the proposed take-private deal and found numerous improprieties.

Following that investigation, Saxena White filed a shareholder class action in the Delaware Court of Chancery, defeated Defendants’ motions to dismiss, and ultimately negotiated a \$40 million settlement.



■ ***City Pension Fund for Firefighters and Police Officers in the City of Miami Beach v. Aracruz Celulose S.A.***

One of our Firm's areas of expertise is litigating cases against foreign corporations. We obtained a significant victory against Brazilian corporation Aracruz Celulose. Accomplishing what no other law firm had ever done, Saxena White successfully served process on all three individual executives under the Inter-American Convention on Letters Rogatory. Our efforts included working closely with a Brazilian law firm to defeat Defendants' challenges to service in both the Brazilian trial and appellate courts.

After defeating three motions to dismiss filed by the foreign Defendants, Saxena White began the massive and highly technical discovery process. Because the vast majority of the documents were in Portuguese, we hired native Brazilian attorneys to analyze and translate the tens of thousands of documents that were produced. These documents were also incredibly complex, dealing with five dozen separate financial derivative instruments. Simply valuing one instrument required approximately 50,000 calculations. We consulted closely with highly respected industry and academic experts to gain an unprecedented understanding of the workings of these instruments and how they were valued.

In the end, our hard work paid off. Saxena White successfully negotiated a \$37.5 million settlement against Aracruz and its executives. This represented up to 50% of the maximum provable damages – an outstanding result compared to the average national recovery in cases of this magnitude.

■ ***City of Hollywood Police Officers' Retirement System v. Henry Schein, Inc. (Covetrus, Inc.)***

Saxena White secured a \$35 million recovery for Covetrus Inc. shareholders, that, at the time of settlement, was among the Eastern District of New York's top ten securities fraud class action recoveries in history and the second largest securities class action settlement achieved in the Eastern District of New York in over a decade.

Covetrus – a distributor of veterinarian products and software – was created as a result of a major spin-off and merger in the animal health industry. The complaint alleged that throughout the class period, defendants materially misled investors regarding the status of its crucial merger integration process and corresponding financial health. When Covetrus's true condition was revealed, investors lost over \$1 billion, and the company's CEO and CFO were ousted.

Saxena White vigorously prosecuted this action from the outset, conducting a thorough pre-filing investigation of the claims in this matter and initiating the action on behalf of the class. The Firm's efforts resulted in a \$35 million settlement for the company's shareholders.

■ ***In re Perrigo Company plc Securities Litigation***

This action alleged that Perrigo Company plc, a global pharmaceutical company, headquartered in Michigan but domiciled in Ireland for tax reasons, misrepresented its potential tax liability in connection with the sale of its sole remaining core asset—a 50% stake in its multiple sclerosis flagship drug—for \$3.25 billion plus contingent royalty payments.

Saxena White engaged in extensive fact discovery, including depositions that spanned two continents. Ultimately, the Firm secured an excellent recovery of \$31.9 million on behalf of the settlement class, representing 22.5% of estimated maximum recoverable damages. This recovery would not have been achieved without two crucial evidentiary rulings won by Saxena White resulting in (1) the Court granting Plaintiffs' motion to compel the production of thousands of documents related to an advice-of-counsel defense and withheld by





Perrigo, and (2) the Court granting Plaintiffs’ motion to preclude Perrigo’s accounting expert from testifying. These two victories required aggressive and innovative legal advocacy, enabling Saxena White to obtain summary judgment—rare in securities litigation—on the key elements of falsity and materiality. Saxena White was prepared to proceed to trial with the case set on the Court’s calendar for October 2021, when it successfully negotiated the settlement.

### ■ ***Milbeck v. TrueCar***

Saxena White engaged in extensive litigation efforts on an exceptionally expedited case schedule, including defeating Defendants’ motion to dismiss, reviewing over 200,000 documents produced by Defendants, and obtaining class certification. Thereafter, the parties participated in negotiations through which Saxena White ultimately obtained a \$28.25 million cash settlement on behalf of the class.

TrueCar is an online car buying service that purports to provide consumers with the “true” price, or market price, for new and used cars. The settlement resolved allegations that the company and its senior executives misled investors about TrueCar’s business and relationship with its most significant business partner, United States Automobile Association (USAA), which accounted for nearly one-third of TrueCar’s annual revenues.

### ■ ***Westchester Putnam Counties Heavy & Highway Laborers Local 60 Benefit Funds v. Brixmor Property Group, Inc.***

Brixmor Property Group is a real estate investment trust that operates a wholly-owned portfolio of shopping centers across the country. This action alleged that Defendants purposefully falsified Brixmor’s income for over two years to portray consistent quarterly same property net operating income growth; the company lacked adequate internal and financial controls; and as a result, Defendants’ class period statements about Brixmor’s business, operations, and prospects were false and misleading.

Saxena White obtained a \$28 million settlement of this action. Significantly, the settlement embodied the Second Circuit’s directive to promote “efficient prosecution and early resolution,” as it secured an immediate and meaningful benefit for shareholders that avoided the risk, delay, and expense inherent in years of litigation, as it was achieved during the motion to dismiss stage.

### ■ ***In re Sadia S.A. Securities Litigation***

Saxena White reached a \$27 million settlement against Sadia, a Brazilian company specializing in poultry and frozen goods that exported a majority of its products. The company engaged in wildly speculative currency hedging while telling investors that its hedges were conservative and used to protect against sudden changes in currency fluctuation. Plaintiffs filed a securities fraud complaint against Sadia and its senior executives and Board members alleging violations of the federal securities laws. Because the individual Defendants in this case were also citizens of Brazil, they had to be served pursuant to the Inter-American Convention on Letters Rogatory. We successfully served the individuals, once again accomplishing what few other law firms have been able to do.

We prevailed on the motion to dismiss and on the motion for class certification. Discovery was greatly complicated by the fact that the vast majority of the documents were in Portuguese, and the Court had no subpoena power to force witnesses to appear for deposition. Despite these hurdles, we hired attorneys fluent in Portuguese to help us with the review and we were able to depose one of the company’s executives.



### ■ ***Plymouth County Retirement System v. GTT Communications, Inc.***

In April 2021, a \$25 million settlement was approved in this securities class action filed against a cloud networking company and four of its executives. Saxena White engaged in significant litigation efforts against GTT, including: drafting the initial complaint, an 88-page amended complaint, and a second, 115-page amended complaint incorporating newly uncovered accounting fraud claims; fully defeating defendants' motion to dismiss; reviewing over 400,000 pages of documents; obtaining certification of the class; and engaging in extensive expert discovery, including the submission of a detailed report by plaintiff's expert on loss causation and damages.

Saxena White was able to secure the \$25 million recovery despite a rapidly dwindling D&O insurance tower and significant ability to pay issues stemming from GTT's financial distress (GTT would later declare bankruptcy and was delisted by the New York Stock Exchange). The court concluded that Saxena White had "conducted the litigation and achieved the [s]ettlement with skill, perseverance and diligent advocacy, and with considerable challenges from formidable opposition."

### ■ ***Plymouth County Retirement System v. Evolent Health, Inc.***

After three years of vigorous litigation, Saxena White obtained an excellent recovery of \$23.5 million on behalf of the settlement class. This litigation concerned the partnership between Evolent, a provider of technology-enabled clinical and administrative services to health systems, and Passport Health Plan, a Kentucky-based non-profit Medicaid plan that represented as much as 20% of Evolent's annual revenues.

Saxena White's extensive efforts to obtain documents from Kentucky via open records requests led to our uncovering of critical, non-public documents supporting Plaintiffs' claims, including, *inter alia*, a series of letters assessing significant penalties against Passport as a result of Evolent's claims-processing failures. Moreover, Saxena White successfully amended the operative complaint to incorporate allegations based on information provided by a new confidential witness—a high ranking former Passport executive—that were critical to surviving Defendants' motion to dismiss. The Court's finding of scienter expressly hinged on the penalty letters and the facts provided by this confidential witness. Later, following an intensive review of Defendants' document productions, the Firm filed a Third Amended Complaint incorporating new allegations from some of these documents, and successfully defeated another motion to dismiss, thereby nearly doubling the length of the operative class period and significantly increasing the settlement class's maximum recoverable damages. Without these specific efforts, any recovery would have been far less.

### ■ ***In re Merit Medical Systems, Inc. Securities Litigation***

Through its effective advocacy, Saxena White achieved an \$18.25 million settlement for the benefit of the class in this securities class action against Merit Medical Systems Inc. The settlement represents a substantial recovery of up to 55% of the settlement class's maximum realistic trial damages.

Merit is a medical device company that historically acquired companies that created "medical accessory" products, and in recent years began to acquire companies that create therapeutic devices. Merit announced its acquisition of Cianna, a company that sells SCOUT, a therapeutic device designed to treat breast cancer, for \$200 million. Subsequently, Merit announced its acquisition of Vascular Insights, along with its product line ClariVein, which is marketed to treat varicose veins, for \$60 million. The complaint alleged, generally, that Defendants made false statements regarding Merit's acquisitions of Cianna and ClariVein.



### ■ ***Teamsters Local 456 Pension Fund v. Universal Health Services, Inc.***

Saxena White's \$17.5 million settlement with Universal Health Services, Inc., an owner and operator of health care facilities, was especially noteworthy considering that the action had been dismissed with prejudice by the U.S. District Court for the Eastern District of Pennsylvania twice and was on appeal to the Third Circuit Court of Appeals at the time of the settlement.

The case involved a disturbing fact pattern first reported by *Buzzfeed News*, whereby UHS allegedly engaged in a scheme to increase its bottom line by coaxing unwitting patients through its doors, manipulating and fabricating patient testimonials to make them appear dangerous to themselves or others, and then admitting them into the company's facilities—often involuntarily—for as many days as their insurance would provide reimbursement.

Notably, the \$17.5 million settlement was more than double the inflation-adjusted median for securities class action settlements in the Third Circuit from 2011 through 2020.

### ■ ***City of Birmingham Retirement and Relief System v. Credit Suisse Group AG***

After more than two and a half years of litigation, Saxena White achieved a \$15.5 million settlement for the class. The settlement represented up to 63% of the class's maximum estimated damages—a rate 11 to 30 times greater than the 2.1% median recovery for securities class actions in 2019. Lead Plaintiffs' claims centered on Credit Suisse's alleged misrepresentations related to the company's "binding" risk limits, which were alleged to have been raised to accommodate growing exposure to highly risky and illiquid positions in its fixed-income franchise. The company's alleged violations of its own risk control and risk-limit policies allegedly allowed Credit Suisse to amass \$4.3 billion in exposure to these investments, which included collateralized loan obligations and distressed debt instruments. These securities, which were difficult to liquidate and consumed substantial amounts of regulatory capital, allegedly made the company susceptible to enormous losses in the volatile credit markets. Credit Suisse ultimately incurred over \$1 billion in losses from these investments, the announcement of which allegedly led to a decline in the price of the company's ADRs.

### ■ ***Fernandez v. Knight Capital Group, Inc.***

Saxena White achieved a \$13 million settlement on behalf of Knight Capital Group investors. As a result of the company's lack of internal controls and risk management practices, on August 1, 2012, the company accumulated an unintended market position of \$7 billion worth of securities in the span of 45 minutes.

Notably, in approving the settlement, Judge Arleo of the District of New Jersey stated: "I look at the skill and efficiency of counsel. There are many lawyers that wouldn't touch this case or couldn't touch this case, didn't have the skill or expertise. Lead counsel here are national experts in the field of securities and complex litigation, and I am satisfied that their personal skill and efforts were the large reason why this case was able to settle on such favorable terms." Judge Arleo continued her praise of Saxena White's efforts in obtaining the settlement: "There were many complex issues attendant to this case, as in many security fraud cases, including scienter, including inflation damages, **et cetera**, and there's no question that we have skilled counsel on the defense end, and I think they met their match with Plaintiff's counsel, and their strong reputation for excellence also is not lost on this Court."

### ■ ***Julian Keippel v. Health Insurance Innovations, Inc.***

In this securities fraud class action, Saxena White asserted that health insurer Health Insurance Innovations, Inc. (HI IQ) and several of its top executives made false statements related to its compliance standards and



its level of customer complaints. An enforcement action by the FTC and related federal court receivership proceedings revealed that HIIQ's most lucrative call center, called "Simple Health"—which was responsible for as much as 50% of the company's revenue—was "a classic bait-and-switch scam whereby unwitting consumers were falsely led to believe that they were purchasing a Preferred Provider Organization medical insurance policy ('PPO') that is compliant with the Affordable Care Act ('ACA'), but in reality were sold limited benefit indemnity plans that are not compliant with the ACA." In response to the FTC's action, HIIQ's stock price suffered steep declines, dropping more than 60% over six months.

After extensive litigation efforts, including the review and analysis of over 1.9 million pages of documents and several depositions, Saxena White secured an \$11 million settlement on behalf of damaged investors.

### ■ *FindWhat Investor Group v. FindWhat.com.*

Saxena White has significant appellate experience. In this Eleventh Circuit appeal, we won a precedent-setting opinion: the court held that corporations and their executives who make fraudulent statements that prevent artificial inflation in a company's stock price from dissipating are just as liable under the securities laws as those whose fraudulent statements introduce artificial inflation into the stock price in the first place. The Eleventh Circuit rejected Defendants' position that the mere repetition of lies already transmitted to the market cannot damage investors. "We decline to erect a per se rule," wrote the court, that "once a market is already misinformed about a particular truth, corporations are free to knowingly and intentionally reinforce material misconceptions by repeating falsehoods with impunity."

The Eleventh Circuit's opinion is a significant win for aggrieved investors – the first such ruling from any of the Courts of Appeals in the nation, and it will continue to help defrauded investors seeking to recover damages due to fraud.

### ■ *In re Clear Channel Outdoor Holdings, Inc. Derivative Litigation*

Saxena White filed a derivative action on behalf of outdoor advertising company Clear Channel Outdoor Holdings ("Outdoor") against its majority stockholder, Clear Channel Communications, Inc. ("CCC"), certain current and former Outdoor directors, and other entities concerning a \$1 billion unsecured loan by Outdoor to CCC. The action asserted that Outdoor's directors breached their fiduciary duties by approving the loan to its controlling stockholder on terms so favorable to CCC that no rational third party would have ever agreed to such terms. In response to Plaintiffs' action, the company's board of directors established a Special Litigation Committee (the "SLC") to investigate the claims.

After its investigation, the SLC engaged with Plaintiffs and certain Defendants to explore the prospects of settlement. After several months of working with the SLC, the parties reached a settlement providing that Outdoor would demand immediate repayment of \$200 million outstanding under the loan, which Outdoor would then immediately pay out in dividends to its shareholders. The settlement also provided significant governance and procedural protections that allowed Outdoor's independent directors to more effectively monitor the loan and prevent uncontrolled growth in its balance.

### ■ *In re Palantir Technologies Class F Stock Litigation*

On March 31, 2021, Saxena White commenced direct class action litigation on behalf of Palantir Technologies Inc. stockholders in the Delaware Court of Chancery against the company and its three founder-directors, with our client alleging that the company's novel dual-class stock structure untethered the founders' voting power from their equity ownership. Specifically, the founders were given exclusive ownership over the



company's Class F stock, which gave them 49.999999% of the vote irrespective of the amount of stock they owned.

Following extensive litigation efforts, we secured a settlement that institutes numerous corporate reforms geared towards increased transparency in the company's corporate elections and towards limiting the founders' ability to use the Class F stock to force through significant corporate actions without an independent check. Among other measures, corporate actions that bring a personal benefit to the founders must now be approved by independent directors and/or a vote of the company's unaffiliated public shareholders. The settlement was approved by the Delaware Court of Chancery in September 2022.

■ ***International Union of Operating Engineers of Eastern Pennsylvania and Delaware v. Ressler (J2 Global, Inc.)***

In this shareholder derivative action, Saxena White secured a settlement that relieved J2 Global, Inc. from paying over \$86 million in future management fees and capital contributions in connection with a related party transaction.

Following an extensive books-and-records investigation, Saxena White worked closely with a Special Committee formed by J2. The result of these efforts was a settlement effectively relieving J2 of its obligation to pay any additional management fees or capital contributions to the allegedly conflicted investment fund, retaining for the company a combined total of more than \$86 million that would otherwise have been contributed. The settlement also included a valuable corporate governance reform through a new policy that requires any future transactions with J2's chairman or his affiliates to be subjected to independent committee approval.



## SHAREHOLDERS & DIRECTORS



### MAYA SAXENA

Widely recognized as one of the nation's top securities litigators, Maya Saxena, Co-Founder of Saxena White P.A., has accomplished something remarkable. Under her direct leadership, since its founding in 2006, Ms. Saxena has grown the Firm into a national powerhouse. Instrumental in recovering billions of dollars on behalf of investors, Ms. Saxena has led trial teams in numerous major securities and shareholder actions and protected shareholders by prosecuting important corporate governance actions and obtaining meaningful reforms. Having built one of the nation's only woman- and minority-owned securities class action firms representing institutional investors, her emphasis on diversity and inclusion has become a model for the legal industry.

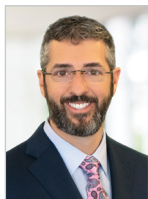
Ms. Saxena has been practicing exclusively in the securities litigation field for nearly 25 years, representing institutional investors in shareholder actions involving breaches of fiduciary duty and violations of the federal securities laws. Recently, Ms. Saxena played a key role in obtaining a \$240 million settlement on behalf of Wells Fargo & Company. The cash payment from Defendants' insurers represents one of the largest insurance-funded monetary components of any shareholder derivative settlement. Ms. Saxena also led the litigation team that recovered \$210 million from Wilmington Trust—one of the largest settlements in 2018. Other prominent recoveries for injured investors include: Rayonier, Inc. (\$73 million settlement), SIRVA, Inc. (\$53.3 million settlement), HD Supply (\$50 million settlement—one of the largest ever achieved in the Northern District of Georgia), Aracruz Celulose (\$37.5 million settlement), Perrigo Company plc (\$31.9 million), and Sunbeam (settled with Arthur Andersen LLP for \$110 million—one of the largest settlements ever with an accounting firm—and a \$15 million personal contribution from former CEO Al Dunlap).

Prior to forming Saxena White, Ms. Saxena served as the Managing Partner of the Florida office of one of the nation's largest securities litigation firms, successfully directing numerous high-profile securities cases. Ms. Saxena gained valuable trial experience before entering private practice while serving as an Assistant Attorney General in Ft. Lauderdale, Florida. During her time in that role, Ms. Saxena represented the State of Florida in civil cases at the appellate and trial levels and prepared amicus curiae briefs in support of state policies at issue in state and federal courts. In addition, Ms. Saxena represented the Florida Highway Patrol and other law enforcement agencies in civil forfeiture trials.

Ms. Saxena is a frequent speaker at educational forums involving public pension funds and advises public and multi-employer pension funds on how to address fraud-related investment losses. She is an active member of the National Association of Public Pension Attorneys (NAPPA), and co-chairs its Securities Litigation Committee. As part of her professional endeavors, Ms. Saxena writes numerous articles on protecting shareholder rights, and works closely with other NAPPA members to author, update, and publish a white paper on post-*Morrison* international securities litigation.

For her professional achievements, Ms. Saxena is frequently recognized by top industry publications. She was named a *Law360* 2021 Securities MVP, one of only five attorneys chosen in the area. Ms. Saxena was also named a "500 Leading Plaintiff Financial Lawyer" by *Lawdragon* for the last six years. *The National Law Journal* named Ms. Saxena one of the "Elite Women in the Plaintiffs Bar" in 2023. She was recognized in the *South Florida Business Journal's* "Best of the Bar" as one of the top lawyers in South Florida and has been selected to the Florida *Super Lawyers* list for over a decade. She has also been named a Florida "Legal Elite" by *Florida Trend* magazine and a "Litigation Star" by *Benchmark Litigation*.

Ms. Saxena graduated from Syracuse University *summa cum laude* in 1993, with a dual degree in policy studies and economics, and graduated from Pepperdine University School of Law in 1996. Ms. Saxena is a member of the Florida Bar, and is admitted to practice before the United States District Courts for the Southern and Middle Districts of Florida, as well as the Fourth, Ninth, and Eleventh Circuit Court of Appeals, and the Supreme Court of the United States.



### **JOSEPH E. WHITE, III**

Joseph E. White, III is the Co-Founder of Saxena White P.A. and leads the Firm in all strategic initiatives. Over the last 20 years, Mr. White has recovered billions of dollars for investors in major securities fraud class actions and is widely recognized as a leader in the securities litigation industry. He has represented institutional investors in front-page cases, including actions against Wells Fargo, Bank of America, Lehman Brothers, Goldman Sachs, and Washington Mutual. Mr. White has also distinguished himself for his ability to prosecute and prevail on creative and novel theories of liability that have resulted in recoveries far exceeding those in comparable securities class actions.

Mr. White is responsible for many of the Firm's most significant and high-profile cases. He recently served as lead counsel in *Peace Officers' Annuity and Benefit Fund of Georgia v. DaVita Inc.*, which achieved a recovery of \$135 million after six hard-fought mediation sessions. Mr. White specializes in mediating complex securities class actions and has an exceptional track record of maximizing recoveries for damaged investors. He leverages his strong relationships with the best and most frequently used mediators to enhance favorable recoveries.

Mr. White also played an instrumental role in *In re Wells Fargo & Co. Shareholder Derivative Litigation* (\$240 million recovery - the largest insurance-funded monetary component of any shareholder derivative settlement by more than \$100 million), *In re Wilmington Trust Securities Litigation* (\$210 million recovery after eight years of hard-fought litigation and ranks among the top ten securities fraud settlements in the Third Circuit and among the top 5% of securities fraud settlements since the enactment of the Private Securities Litigation Reform Act of 1995), and *Fulton County Employees Retirement System, derivatively on behalf of The Goldman Sachs Group, Inc., v. Blankfein, et al.* (\$79.5 million recovery and the second-largest derivative settlement in Second Circuit history).

Mr. White is an industry expert and regularly speaks at D&O insurer-focused conferences on topics affecting securities litigation and insurance industries. He is widely praised for his expertise, and for the last six years, Mr. White has been named a "500 Leading Plaintiff Financial Lawyer" by *Lawdragon*. He was also named a "Legal Elite" by *Florida Trend* magazine.

Mr. White earned an undergraduate degree in Political Science from Tufts University before receiving his Juris Doctor from Suffolk University School of Law.



### **RACHEL A. AVAN**

Rachel A. Aván, Director, has more than a decade of experience in securities litigation. She focuses on investigating and developing U.S. and non-U.S. securities fraud class, group, and individual actions, as well as advising institutional investors regarding alternatives for recovery for fraud-related investment losses.



Ms. Avan’s analysis of new and potential matters is informed by her extensive experience as a securities litigator. Prior to joining Saxena White, Ms. Avan was of counsel at a nationally recognized securities litigation firm, where she assisted in prosecuting numerous high-profile securities class actions and corporate governance matters. She also served as a key member of the firm’s case evaluation team and managed the firm’s non-U.S. securities litigation practice for several years.

Ms. Avan has significant expertise analyzing the merits, risks, and benefits of potential claims outside the United States—in virtually all countries in which it is possible for injured shareholders to seek a recovery. She has played an essential role in ensuring that institutional investors receive substantial recoveries through non-U.S. securities litigation.

Ms. Avan brings valuable insight into corporate matters, having served as an associate at a corporate law firm, where she counseled domestic and international public companies regarding compliance with federal and state securities laws. Her analysis of corporate securities filings is also informed by her previous work assisting with the preparation of responses to inquiries by the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority.

Ms. Avan has authored multiple articles relating to U.S. and non-U.S. securities litigation, which have been published in *The New York Law Journal*, *Financial Executive*, *Law360*, and *The NAPPA Report*, among other publications. For her achievements, Ms. Avan consistently has been selected as a “Rising Star” by *Super Lawyers*, a Thomson Reuters publication.

Ms. Avan earned her Juris Doctor from Benjamin N. Cardozo School of Law in 2006. She received her master’s degree in English and American Literature from Boston University in 2002 and her bachelor’s degree, *cum laude*, in Philosophy and English from Brandeis University in 2000. Ms. Avan is a member of the New York Bar and Connecticut Bar. She is admitted to the United States District Court for the Southern District of New York.



### **THOMAS CURRY**

Thomas Curry is a Director at Saxena White and manages the Firm’s Delaware office and corporate governance litigation team. He represents institutional and individual investors in a wide variety of corporate governance and shareholder rights matters, with a particular focus on disputes arising under Delaware corporate law and litigation in the Delaware Court of Chancery.

Mr. Curry has played a leading role in several of the most significant corporate governance and shareholder rights matters to arise in recent years. He led the Saxena White team that litigated shareholder derivative claims on behalf of FirstEnergy Corp. in connection with a political bribery scandal, achieving a settlement that included a \$180 million monetary recovery, as well as the departures of six defendants from the company’s board of directors, and other wide-ranging governance reforms. The \$180 million monetary recovery achieved represented the largest derivative recovery in the history of the Sixth Circuit.

In another recent shareholder derivative action, Mr. Curry led a Saxena White team that pursued claims on behalf of J2 Global, Inc. in connection with an allegedly-conflicted related party investment agreement, achieving a settlement relieving the company of obligations to pay more than \$71 million in future management fees and capital contributions, and instituting a new board-level related party transactions policy. He also served as a key member of the Saxena White team that litigated shareholder derivative claims on behalf of Goldman Sachs in connection with its high-profile 1MDB scandal, achieving a settlement that included a \$79.5 million monetary recovery and significant governance reforms.





Mr. Curry also maintains an active practice in matters seeking to protect shareholder voting rights. He led the Saxena White team that litigated a novel challenge to the validity of founder-entrenching voting provisions in Palantir Technologies Inc.'s certificate of incorporation, achieving a settlement reforming Palantir's voting procedures and implementing significant new governance protections designed to prevent future controller overreach at the company. Prior to joining Saxena White, Mr. Curry worked at a nationally recognized securities litigation firm.

Mr. Curry has been widely recognized for his work on behalf of investors. In 2024, he was named to the "40 & Under List" and selected as a "Litigation Star" by *Benchmark Litigation*. In 2023, he was named a "Rising Star" by *Law360*, one of only six attorneys nationwide chosen in the area of securities law. Also in 2023, he was named a "Rising Star of the Plaintiffs Bar" by the *National Law Journal*. In both 2019 and 2020, he was recognized by *The Legal 500* as a "Rising Star" in the field of M&A litigation. He is a Board Member of the Institute for Law and Economic Policy, a policy and research educational foundation seeking to enhance consumer and investor access to the justice system.

Mr. Curry earned his Juris Doctor from Cornell Law School in 2013 and a Bachelor of Arts degree from Temple University in 2010. Mr. Curry is admitted to practice in Delaware, the United States District Court for the District of Delaware, and the United States Court of Appeals for the Sixth Circuit.



#### **MARISA N. DEMATO**

Marisa DeMato, Director and Chief Diversity Officer, has more than 18 years of experience advising leading pension funds and other institutional investors on issues related to corporate fraud in U.S. securities markets, and provides representation in complex civil actions. Her work focuses on monitoring the well-being of institutional investments and counseling clients on best practices in corporate governance of publicly traded companies.

Prior to joining Saxena White, Ms. DeMato was a partner with a nationally recognized securities litigation firm where she represented institutional investors in shareholder litigation and achieved significant settlements on behalf of clients. She represented Seattle City Employees' Retirement System in a \$90 million derivative settlement that achieved historic corporate governance reforms from Twenty-First Century Fox, Inc., following allegations of workplace harassment incidents at Fox News. Ms. DeMato also successfully represented investors in high-profile cases against LifeLock, Camping World, Rent-A-Center, and Castlight Health. In addition, Ms. DeMato was an integral member of legal teams that secured multimillion dollar securities and consumer fraud settlements, including *In re Managed Care Litigation* (\$135 million recovery); *Cornwell v. Credit Suisse Group* (\$70 million recovery); *Michael v. SFBC International, Inc.* (\$28.5 million recovery); *Ross v. Career Education Corporation* (\$27.5 million recovery); and *Village of Dolton v. Taser International Inc.* (\$20 million recovery).

An accomplished speaker, Ms. DeMato has lectured on topics pertaining to securities fraud litigation, fiduciary responsibility, and corporate governance issues throughout the U.S. and Europe. Notably, Ms. DeMato has testified before the Texas House of Representatives Pensions Committee on the changing legal landscape for public pensions following the Supreme Court's *Morrison* decision and best practices for non-U.S. investment recovery.

Ms. DeMato is Saxena White's Chief Diversity Officer, and one of the industry's leading advocates for institutional investing in women- and minority-owned firms. She also chairs Saxena White's Women's Alliance, which is designed to foster women-centered development and leadership in the pension, investment and



legal communities. Ms. DeMato previously served as co-chair of an annual Women’s Initiative Forum, which has been recognized by *Euromoney and Chambers USA* as one of the best gender diversity initiatives.

Recently, Ms. DeMato was recognized by *The National Law Journal* as a “Plaintiffs’ Trailblazer” and was named a “Northeast Trailblazer” by *The American Lawyer*. Ms. DeMato was also named one of the “500 Leading Plaintiff Financial Lawyers in America” by *Lawdragon* for the last four consecutive years.

Ms. DeMato is an active member of the National Association of Securities Professionals (NASP), the American Association for Justice (AAJ), and the National Association of Public Pension Attorneys (NAPPA), where she serves on the NAPPA Securities Litigation Committee. As a member of the SACRS Education Committee, she is responsible for developing and planning educational programming for the State Association of County Retirement Systems (SACRS) in California.

Ms. DeMato earned her Juris Doctor from the University of Baltimore School of Law. She received her Bachelor of Arts from Florida Atlantic University.

Ms. DeMato is a member of the State Bars of Florida and the District of Columbia and is admitted to practice in the United States District Court for the Southern and Northern Districts of Florida.



#### **KYLA GRANT**

Kyla Grant, Director, has extensive experience in federal securities class action suits, securities enforcement, and complex commercial litigation in both federal and state courts. Since joining Saxena White, Ms. Grant has played a key role on litigation teams that have successfully recovered hundreds of millions of dollars on behalf of injured shareholders in settlements totaling over \$600 million. For example, recent notable settlements include:

- *In re Wells Fargo & Company Shareholder Litigation* (\$240 million shareholder derivative settlement - one of the largest shareholder derivative settlements in history - in an action relating to well-known “fake account” scandal at Wells Fargo);
- *Peace Officers’ Annuity and Benefit Fund of Georgia et al. v. DaVita Inc., et al.* (\$135 million settlement in securities fraud class action involving allegations that DaVita improperly “steered” end-stage kidney patients off of Medicare/Medicaid and into private insurance plans);
- *Plymouth County Retirement System v. Patterson Companies, Inc. et al.* (\$63 million settlement in securities fraud class action - ranking among the top-ten of all such settlements ever achieved in the District of Minnesota - involving alleged price-fixing scheme between Patterson and its main competitors in the dental supply industry); and
- *In re Perrigo Company plc Securities Litigation* (\$31.9 million settlement in securities fraud class action regarding Perrigo’s receipt of a nearly \$2 billion tax bill from Irish Revenue, and involving significant victories at summary judgment rarely obtained by plaintiffs in a securities fraud case on the key elements of falsity and materiality).

Ms. Grant was also involved in obtaining significant securities fraud class action settlements in cases involving Covetrus, Inc. (\$35 million settlement), TrueCar, Inc. (\$28.25 settlement), Brixmor Property Group, Inc. (\$28 million settlement), and GTT Communications, Inc. (\$25 million settlement).

Before joining Saxena White, Ms. Grant practiced securities litigation at two top-ranked global law firms, Shearman & Sterling LLP and WilmerHale.



Ms. Grant graduated from the University of Hawai'i at Mānoa with distinction in 2004, where she received a Bachelor of Arts degree in both English and Political Science. She received her Juris Doctor degree from the University of Virginia School of Law in 2008. While attending law school, she was a recipient of the Dean's Scholarship, was appointed as a Dillard Fellow (a role in which she worked with first year students to improve their persuasive writing skills), and was an Articles Editor for the *Virginia Journal of International Law*.

Ms. Grant is a member of the New York State Bar and the United States District Court for the Southern District of New York.



### **LESTER R. HOOKER**

Lester R. Hooker, Director, is involved in all of Saxena White's practice areas, including securities class action litigation and shareholder derivative actions. During his tenure at Saxena White, Mr. Hooker has obtained substantial monetary recoveries of over \$1 billion and secured groundbreaking corporate governance reforms on behalf of institutional investors nationwide.

Mr. Hooker played a key role on the litigation teams that have successfully prosecuted numerous historic securities fraud class and derivative actions, including:

- *In re Wells Fargo & Company Shareholder Litigation* (\$240 million settlement in a shareholder derivative action – one of the largest such settlements ever – relating to the well-known “fake account” scandal at Wells Fargo, which included the \$240 million cash payment from Defendants’ insurers as well as credit for valuable corporate governance reforms at the bank);
- *Employees Retirement System of the City of St. Louis v. Charles E. Jones et al. (FirstEnergy Corp. Derivative Litigation)* (\$180 million settlement in a derivative action – the largest shareholder derivative recovery in Sixth Circuit history – which also included unprecedented corporate governance reforms);
- *Peace Officers’ Annuity and Benefit Fund of Georgia, et al. v. DaVita Inc., et al.* (\$135 million settlement of a securities class action);
- *Fulton County Employees Retirement System, derivatively on behalf of The Goldman Sachs Group, Inc., v. Blankfein et al.* (\$79.5 million cash recovery in a shareholder derivative action, which represented the second largest derivative settlement in Second Circuit history and ranked among the top-twenty such settlements ever nationwide);
- *In re Rayonier Inc. Securities Litigation* (\$73 million settlement, which at the time of settlement represented the second largest recovery from a securities class action achieved in the Middle District of Florida);
- *Plymouth County Retirement System v. Patterson Companies, Inc., et al.*, (\$63 million settlement in a securities class action, ranking among the top ten of all settlements ever achieved in a securities class action in the District of Minnesota); and
- *In re HD Supply Holdings, Inc. Securities Litigation* (\$50 million settlement, one of the largest securities class action settlements ever achieved in the U.S. District Court for the Northern District of Georgia).

Mr. Hooker was profiled in the February 2023 edition of *Lawdragon’s Lawyer Limelight*, and named a “500 Leading Plaintiff Financial Lawyer” by *Lawdragon* for the sixth consecutive year. He was also named a “Plaintiffs’ Attorney Trailblazer” by *The National Law Journal*, a “Rising Star” and a “Top Attorneys In Florida Rising Star” by *Super Lawyers*. Recently, Mr. Hooker received the 2023 *Profiles in Diversity Journal*



Latino Leadership Award, an honor bestowed upon accomplished Latino leaders who have blazed new trails, welcomed challenges, mentored others, advanced diversity and inclusion in the workplace and the community, and excelled in their chosen fields. Mr. Hooker is a member of *Law360*'s 2023 Securities Editorial Advisory Board and provides expert insight on *Law360*'s coverage.

Mr. Hooker received a Bachelor of Arts degree with a Major in English from the University of California at Berkeley. Mr. Hooker earned his Juris Doctor from the University of San Diego School of Law, where he was awarded the Dean's Outstanding Scholar Scholarship. Mr. Hooker received his Master's Degree in Business Administration with an emphasis in International Business from the University of San Diego School of Business, where he was awarded the Ahlers Center International Graduate Studies Scholarship.

Mr. Hooker is a member of the State Bars of California, Florida, New York, and the District of Columbia, and is admitted to practice law in the United States District Courts for the Northern, Central, Southern and Eastern Districts of California, the Southern, Middle and Northern Districts of Florida, the Southern District of New York, the Western District of Michigan, the District of Colorado, and the Northern District of Illinois. Mr. Hooker is also admitted to practice law in the United States Court of Appeals for the Second, Sixth, and Ninth Circuits.



#### **DAVID KAPLAN**

David Kaplan is a Director at Saxena White and manages the Firm's California office. Mr. Kaplan has over 25 years of experience in the field of securities and shareholder litigation. He has helped investors achieve hundreds of millions of dollars in recoveries in federal and state courts nationwide, including in securities class actions, direct "opt-out" actions, and shareholder derivative litigation.

Mr. Kaplan is currently leading teams prosecuting complex securities class actions in California, Texas, Virginia, and Pennsylvania federal courts. These cases involve a variety of industries – spanning biopharmaceuticals, online/AI technologies, semiconductor chips, oil & gas E&P, to specialty insurance – and involve billions of dollars in investor losses.

Prior to joining Saxena White, Mr. Kaplan was a partner at another nationally recognized securities litigation firm, where he co-chaired its direct/opt-out action practice, represented lead plaintiffs in securities class actions, and counseled institutional investor clients on potential legal claims as a member of the firm's new matters department. Before that, Mr. Kaplan was a senior associate at Irell & Manella LLP, where he handled a variety of high-stakes securities and investment-related litigation, commercial business disputes, insurance law, and other complex litigation matters.

In addition to leading multi-disciplinary teams of attorneys, financial analysts, and in-house investigators prosecuting high-stakes securities class actions, a large part of Mr. Kaplan's day-to-day practice involves advising mutual funds, hedge funds, pension funds, sovereign wealth funds, insurance companies, and other institutional asset managers on whether to remain passive participants in securities class actions or opt out to protect and maximize their securities fraud recoveries. Mr. Kaplan has represented prominent institutional investor opt-out groups in federal courts nationwide.

Mr. Kaplan also has extensive experience advising institutional clients on pursuing securities fraud recoveries in international jurisdictions. His work in this area includes virtually all countries in which shareholder collective actions are authorized by law, including Canada, Australia, England, the Netherlands, Germany, Italy, France, Japan, Israel, and Brazil.



Mr. Kaplan is a frequent speaker at national conferences on issues of interest to the institutional investor community, including trends in shareholder litigation, maximizing securities fraud recoveries, ESG and sustainable investing, and efforts to foster Diversity, Equity, & Inclusion. He has authored multiple articles relating to class actions and the federal securities laws, which have been published in *The National Law Journal*, *The Daily Journal*, *Law360*, *Pensions & Investments*, *The D&O Diary*, and *The NAPPA Report*, among other publications. Mr. Kaplan is also an editor of the American Bar Association's Class Actions and Derivative Suits Committee's newsletter.

Mr. Kaplan was named a "500 Leading Plaintiff Financial Lawyer" by *Lawdragon* for the sixth consecutive year, and has repeatedly been selected as a "Rising Star" by *Super Lawyers*.

Mr. Kaplan graduated with a Bachelor of Arts, *cum laude*, from Washington and Lee University, and earned his Juris Doctor, High Honors, from Duke University School of Law, where he was an editor of the *Duke Law Review*.

Mr. Kaplan is admitted to practice in California, United States District Courts for the Central, Northern, and Southern Districts of California, and the Eastern District of Wisconsin. He is also admitted to the United States Court of Appeals for the Ninth Circuit, and the United States Bankruptcy Court for the Central District of California.



#### **LISA RIVERA**

Lisa Rivera, Director, serves as the Firm's Chief Financial and Operating Officer and brings over 30 years of experience in both the public and private sectors, having served in key positions with direct responsibility for fiscal management, policy and strategic planning, operations, and compliance. Ms. Rivera has represented commercial litigation clients in the area of forensic accounting, as well as served public accounting clients with their tax and business advisory needs.

Ms. Rivera graduated from New York University's Stern School of Business in 1994, where she received a Bachelor of Science degree, majoring in Accounting. She received her Juris Doctor degree from Rutgers University School of Law in 2003.



#### **JOSHUA H. SALTZMAN**

Joshua H. Saltzman, Director, focuses his practice on securities and derivative litigation. Before joining Saxena White, Mr. Saltzman litigated investor class actions, opt-out securities actions, and derivative actions at two boutique law firms in New York City. Recently, Mr. Saltzman was a member of the respective litigation teams that achieved a \$63 million settlement for shareholders of Patterson Companies, Inc., a \$23.5 million settlement for shareholders of Evolent Health, Inc., and a \$31.9 million settlement for shareholders of Perrigo Company, plc. Mr. Saltzman was also a member of the litigation team that obtained a \$50 million settlement on behalf of shareholders of HD Supply Holdings, Inc. – one of the largest securities class action settlements ever achieved in the U.S. District Court for the Northern District of Georgia. He was a member of the litigation team that obtained a \$53 million derivative settlement on behalf of New Senior Investment Group, which was the largest settlement of all time in a derivative lawsuit when measured as a percentage of the company's total market capitalization.

Additionally, Mr. Saltzman has been a member of litigation teams that have obtained numerous other substantial recoveries on behalf of investors, including cases involving American International Group



(\$40 million settlement on behalf of AIG employees who invested in AIG's company stock fund, representing one of the largest ERISA stock drop recoveries of all time), Cornerstone Therapeutics (\$17.9 million for minority stockholders of Cornerstone Therapeutics whose shares were purchased in a controller buyout), and Petrobras (high percentage recovery on behalf of the state pension system in opt-out securities action).

Mr. Saltzman has been recognized for his work on behalf of investors, including being recognized by *Super Lawyers* as a 2022 "Rising Star" and a 2023 and 2024 New York *Super Lawyer*.

Mr. Saltzman received a Bachelor of Arts degree in English from Rutgers University in 2002, and a Juris Doctor degree from Brooklyn Law School in 2011, graduating *magna cum laude*. During law school, Mr. Saltzman served as an editor on the Brooklyn Law Review, where he published a note and interned for the Honorable Victor Marrero in the United States District Court for the Southern District of New York.

Mr. Saltzman is a member of the New York Bar, the United States District Court for the Southern District of New York, and the United States Court of Appeals for the Third Circuit.



#### **STEVEN B. SINGER**

Steven B. Singer, Director of Litigation, oversees the Firm's securities litigation practice. Mr. Singer brings his tireless advocacy on behalf of shareholders, as well as his nearly 30 years of trial and litigation experience at the top of the field.

During his career, Mr. Singer has been the lead partner responsible for prosecuting many of the most significant and high-profile securities cases in the country, which collectively have recovered over \$12 billion for investors. He led the litigation against Bank of America relating to its acquisition of Merrill Lynch, which resulted in a landmark settlement shortly before trial (\$2.43 billion), one of the largest recoveries in history. Mr. Singer's work on that case was the subject of extensive media coverage, including numerous articles published in *The New York Times*. He also has substantial trial experience and was one of the lead trial lawyers on the WorldCom securities litigation (\$6 billion settlement after a four-week jury trial).

As demonstrated by recent wins and accomplishments, Mr. Singer has had another extraordinary year. Mr. Singer helped Saxena White achieve nearly \$300 million in monetary recoveries alongside major corporate governance reforms, establishing valuable precedent to prevent future C-Suite misconduct. Recent settlements include cases involving FirstEnergy Corp. (\$180 million recovery — the largest in Sixth Circuit history and among the largest derivative recoveries ever), DaVita Inc. (\$135 million recovery), Goldman Sachs (\$79.5 million monetary recovery—the second largest derivative recovery in the history of the Second Circuit) and Patterson Companies, Inc. (\$63 million recovery). Mr. Singer also led the Saxena White litigation team that successfully recovered a \$240 million cash payment in a derivative action involving Wells Fargo & Company. The settlement includes one of the largest insurance-funded monetary components of any shareholder derivative settlement.

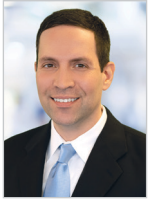
In addition, Mr. Singer has been significantly involved in numerous other actions that have resulted in substantial settlements, including cases involving Citigroup Inc. (\$730 million, representing the second largest recovery in a case brought on behalf of bond purchasers), Lucent Technologies (\$675 million), Mills Corp. (\$203 million), WellCare Health Plans (\$200 million), Satyam Computer Services (\$150 million), Biovail Corp. (\$138 million), Bank of New York Mellon (\$180 million), JP Morgan Chase (\$150 million), and one of the largest settlements in 2018, Wilmington Trust (\$210 million).



Mr. Singer has been consistently recognized by industry observers for his legal excellence and achievements. In 2023, Mr. Singer was named a “Titan of the Plaintiffs Bar” by *Law360*. Additionally, he has been selected as one of the “500 Leading Lawyers in America” by *Lawdragon* for the last six years, a “Litigation Star” by *Benchmark Litigation*, and as one of the “Leading Lawyers” in securities litigation by the *Legal 500 US Guide* – one of only seven plaintiffs’ attorneys so recognized.

Mr. Singer graduated *cum laude* from Duke University in 1988, and from Northwestern University School of Law in 1991. He is a member of the New York State Bar, as well as the United States District Courts for the Southern and Eastern Districts of New York, and the Northern District of Illinois.

## ATTORNEYS

**MARIO ALVITE**

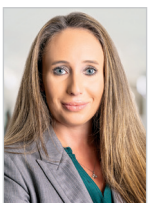
Mario Alvite has been with the Firm since 2018. Mr. Alvite plays a key role in new case development by analyzing opportunities for recovery for injured investors and shareholders, including the viability of claims that may be advanced in securities fraud, derivative, and corporate governance-related actions. Mr. Alvite assembles and assesses information that helps support the theories behind Saxena White's litigation efforts, and he assists with formulating complaints and lead plaintiff motions. He also is an important member of the Firm's client services team, for which he protects the financial interests of our clients by advising them on settlement matters.

In his work, Mr. Alvite draws on over ten years of experience in e-discovery and project management in the corporate litigation, transactional, and regulatory areas. During his time at Saxena White, Mr. Alvite served on the litigation teams that successfully prosecuted securities fraud class actions and shareholder derivative actions involving Wells Fargo (\$240 million settlement, among the largest derivative recoveries ever achieved in the United States), Wilmington Trust (\$210 million settlement and one of the largest securities class action settlements of 2018), FirstEnergy Corp. (\$180 million settlement), and Rayonier Inc. (\$73 million settlement).

Mr. Alvite has been recognized as a "Top Lawyer" by *Palm Beach Illustrated* for the past three years. He has also served on Saxena White's Diversity and Social Responsibility Committee since 2019. In 2023, Mr. Alvite co-authored the article *The Supreme Court Considers Whether Innovation in Direct Securities Listings Can Coexist with Long-Standing Investor Protections* published in the American Bar Association's Class Actions and Derivative Suits Committee's Newsletter. In 2021, Mr. Alvite authored the article *ESG, Diversity, Enforcement - Turning the Page on Securities Regulation* published in Saxena White's newsletter.

Mr. Alvite received his Bachelor of Business Administration from Florida International University in 2001. He later earned his Juris Doctor from Nova Southeastern University in 2004.

Mr. Alvite is a member of the Florida Bar and is admitted to practice in the United States District Court for the Southern and Middle Districts of Florida.

**EMILY BISHOP**

Emily R. Bishop is an Attorney at Saxena White's California office, where she focuses her practice on prosecuting securities fraud class and direct actions, as well as shareholder derivative and corporate governance matters. Prior to joining Saxena White, Ms. Bishop was an associate at a law firm in San Diego where she represented individual and institutional shareholders in a variety of complex shareholder litigation. For her achievements, Ms. Bishop has been recognized by *Super Lawyers* as a 2023 and 2024 "Rising Star."

Ms. Bishop graduated from the University of San Diego in 2014, where she received a Bachelor of Business Administration degree, double majoring in Business Economics and Real Estate, and a Bachelor of Arts degree in Political Science. She received her Juris Doctor degree from the University of San Diego School of Law in 2017, graduating *cum laude*, and a Masters of Laws in Taxation in 2018. While attending law school Ms. Bishop served as an editor of the *San Diego International Law Journal*, and was president of Phi Delta Phi, the international legal honor society and oldest legal organization in continuous existence in the United States.





Ms. Bishop is a member of The State Bar of California and is admitted to practice in the United States District Court for the Northern, Southern and Eastern Districts of California.



#### **RHONDA CAVAGNARO**

Rhonda Cavagnaro is Special Counsel to Saxena White and a member of the Firm's Institutional Outreach group. She brings extensive expertise in many areas of employee benefits and pension administration with nearly two decades of public fund experience. Ms. Cavagnaro frequently speaks at industry conferences to further trustee education on fiduciary issues facing institutional investors.

Ms. Cavagnaro began her legal career as an Assistant District Attorney in New York City, where she was instrumental in creating the office's General Crimes Unit, covering major crimes. As an Assistant District Attorney, Ms. Cavagnaro gained valuable trial experience and prosecuted hundreds of misdemeanor and felony cases.

Ms. Cavagnaro started her career serving public pensions as Assistant General Counsel at the New York City Employees' Retirement System. She then went on to become the first General Counsel to the New York City Police Pension Fund in February 2002, where she worked for over 11 years, providing advice to the Board of Trustees and 140-member staff with respect to benefits administration, fiduciary issues, employment issues, legislation, and transactional matters. Ms. Cavagnaro last served as the Assistant CEO for the Santa Barbara County Employee's Retirement System, where under the general direction of the CEO and Board of Trustees, she oversaw the day-to-day operations of the System.

Ms. Cavagnaro graduated with a Bachelor of Arts in Political Science and History from the University of Rochester, in Rochester, New York, and earned her Juris Doctor from the California Western School of Law in San Diego, California. She is a member of the New York and New Jersey State Bars, and is admitted to the United States District Court for the Southern and Eastern Districts of New York, and is a current member of the National Association of Public Pension Attorneys.



#### **NICHOLAS CORSO**

Nicholas Corso is an Attorney in Saxena White's Boca Raton office and a member of the Firm's case development team.

Mr. Corso earned his Juris Doctor, *cum laude*, from the University of Miami School of Law, where he was a member of the *University of Miami Business Law Review*. He earned his Bachelor of Science in Mechanical Engineering from the University of North Florida. Mr. Corso is a member of the Florida Bar.



#### **OMAR D. DAVIS**

Omar D. Davis has an extensive background as a retirement plan legal advisor and manager that has provided him with a deep understanding of the issues and challenges facing institutional investors. Mr. Davis has served in various capacities for several large retirement plans. Most recently, Mr. Davis was the Director of Employer Services at the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS), a \$50+ billion pension plan serving retired educators and school employees across the State of Missouri. His public retirement plan background extends to earlier



roles at the Missouri Department of Transportation & Missouri State Highway Patrol Employees' Retirement System (MPERS), where he was General Counsel, and the Missouri State Employees' Retirement System (MOSERS), where he served as Investment Legal & Compliance Counsel.

Prior to his retirement system background, Mr. Davis worked for more than a decade in Missouri state government as an agency leader, including as the Director of the Department of Revenue and the Director of the Department of Labor & Industrial Relations. He has been recognized for his leadership and service numerous times throughout his career.

Prior to joining Saxena White, Mr. Davis offered client organizations a wealth of public sector experience as an executive search consultant, focusing on the public retirement, public agency, asset owner, and manager sectors.

Mr. Davis is a recipient of the 2022 *Profiles in Diversity Journal* Black Leadership Award, an honor bestowed upon accomplished leaders of color who have also supported and furthered the careers of others. He also serves on Saxena White's Diversity and Social Responsibility Committee.

Mr. Davis received his Bachelor of Science from Kansas State University in 1998 and his Juris Doctor from the University of Missouri School of Law in 2001.

Mr. Davis is a member of the Missouri Bar.



### **SARA DILEO**

Sara DiLeo has extensive experience in federal securities class action lawsuits, derivative litigation, and complex commercial litigation in both federal and state courts. Ms. DiLeo has served as a member of the litigation teams that achieved securities fraud class action settlements for shareholders of Evolent Health, Inc. (\$23.5 million settlement), DaVita, Inc. (\$135 million settlement, the second largest all-cash securities class action settlement in the U.S. District Court for the District of Colorado history), GTT Communications, Inc. (\$25 million settlement), HD Supply Holdings, Inc. (\$50 million settlement, one of the largest securities class action settlements ever achieved in the U.S. District Court for the Northern District of Georgia), and TrueCar, Inc. (\$28.25 million settlement).

Ms. DiLeo also played a key role on the litigation teams that have successfully prosecuted significant derivative actions, including *In re Wells Fargo & Company Shareholder Litigation* (\$240 million cash payment from Defendants' insurers, representing the largest insurance-funded monetary component of any shareholder derivative settlement), and *Employees Retirement System of the City of St. Louis v. Jones, et al.* (\$180 million landmark monetary recovery as well as the departures of six defendants from the company's board of directors).

Before joining Saxena White, Ms. DiLeo practiced securities litigation for nine years at a top-ranked global law firm, Skadden, Arps, Slate, Meagher & Flom LLP.

Ms. DiLeo graduated from New York University's College of Arts & Sciences program in 2003, where she received a Bachelor of Arts degree with a double major in Political Science and Psychology. She received her Juris Doctor degree from Fordham University School of Law in 2008. While attending law school, Ms. DiLeo was an Articles Editor for the *Fordham Urban Law Journal* and interned for the Honorable Barbara Jones in the United States District Court for the Southern District of New York.

Ms. DiLeo is a member of the New York Bar.



### MARCO A. DUEÑAS

Marco A. Dueñas is a Senior Attorney at Saxena White and a lead member of the Firm's case development team. He focuses his practice on the identification, investigation, and commencement of complex securities litigation cases in trial courts throughout the United States and abroad.

Prior to joining Saxena White, Mr. Dueñas was an associate at a nationally recognized securities litigation firm where he investigated and commenced securities class actions, prosecuted direct and opt-out actions on behalf of institutional investors, and led efforts to prosecute securities claims related to public offerings in state courts following the U.S. Supreme Court's decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund*.

Mr. Dueñas represents institutional investors in domestic and multinational securities cases to recover investment losses and vindicate shareholder rights. Skilled in all phases of litigation including pleadings, dispositive motions, discovery, trial, and appeal, he develops innovative, fact-based case theories to expose violations of the securities laws and recover clients' financial losses. Mr. Dueñas has represented dissenting shareholders in a foreign appraisal action in the Cayman Islands, securing a favorable judgment on behalf of his clients following a three-week bench trial.

Mr. Dueñas has played a key role prosecuting and resolving several high-profile cases, such as those against Uber Technologies, Inc. (\$200 million settlement, pending court approval), Nord Anglia Education (more than \$130 million judgment following a \$37.68 per share fair value appraisal—a 16% premium over the take-private transaction price), ADT Inc. (\$30 million settlement), Benefitfocus, Inc. (\$11 million settlement), Spectrum Brands Holdings, Inc. (\$9 million settlement), Livent Corporation (\$7.4 million settlement), and Fifth Third Bancorp (\$5.5 million settlement).

Mr. Dueñas recently authored the article, "Private Suits Based on Item 303 Violations Remain Viable Post-*Macquarie*," published in the Summer 2024 edition of the American Bar Association's Class Actions & Derivative Suits newsletter.

For his achievements, Mr. Dueñas has been recognized as a New York Metro "Rising Star" by *Super Lawyers*.

Mr. Dueñas earned his Bachelor of Science, *summa cum laude*, from Farmingdale State College. Mr. Dueñas earned his Juris Doctor, *cum laude*, from Brooklyn Law School, where he served on the Brooklyn Journal of International Law and the Moot Court Honor Society, Appellate Division. Mr. Dueñas is an active member of the New York City Bar Association, the New York State Bar Association, and the American Bar Association. He is admitted to the United States District Court for the Eastern and Southern Districts of New York and the United States District Court of Appeals for the Ninth Circuit.

Mr. Dueñas is fluent in Spanish.



### WILLIAM FORGIONE

Prior to joining Saxena White, William Forgione served as a senior legal executive with Teachers Insurance and Annuity Association ("TIAA") and its subsidiaries for over 25 years. While at TIAA, he held a variety of leadership positions, including Executive Vice President and General Counsel with TIAA Global Asset Management and Nuveen, a leading financial services group of companies that provides investment advice and portfolio management through TIAA and numerous investment advisors. He oversaw the legal, compliance, and corporate governance aspects associated with



the organization's \$900 billion investment portfolios and asset management businesses, including TIAA's general account, various separate accounts, registered and unregistered funds, and institutional investment mandates.

Under Mr. Forgione's leadership, TIAA was actively involved in a number of significant investment litigation matters in order to recover the maximum amount for the benefit of its investment portfolios and the beneficial owners. These included acting as lead plaintiff in class action lawsuits, initiating proxy contests, pursuing direct actions where appropriate, and asserting appraisal rights when it felt the consideration to be paid to shareholders in connection with various merger and acquisition activity involving portfolio companies was inadequate.

Mr. Forgione also served as Deputy General Counsel to TIAA, where among his many responsibilities, he acted as a strategic partner and advisor to the heads of TIAA's pension and insurance business lines. He also served as a member of TIAA's Senior Leadership Team, actively participating on a number of management committees. In addition, Mr. Forgione has valuable corporate governance experience, having advised and served on a number of boards, including Nuveen, the Westchester Group, several foreign operating subsidiaries of TIAA, as well as various Risk Management, Investment, Asset-Liability, and Audit Committees. He also served as lead counsel on several large business acquisitions.

Prior to joining TIAA, Mr. Forgione was associated with Fried, Frank, Harris, Shriver & Jacobson LLP, and Csaplar & Bok, where he practiced in the areas of mergers and acquisitions and corporate finance.

After graduating *summa cum laude* from Binghamton University with a Bachelor of Science in Accounting, Mr. Forgione received his Juris Doctor degree from Boston University. Among many industry associations, he has served as President and a member of the Board of Trustees of the Association of Life Insurance Counsel, President and Trustee of the American College of Investment Counsel, and Chairman of the Investment Committee of the Life Insurance Council of New York. Mr. Forgione has spoken at many industry conferences and seminars, taught undergraduate and graduate courses in Accounting and Law, and has won awards such as *Charlotte Business Journal's* "Corporate Counsel Award" for his success in corporate law.

Mr. Forgione is a member of the New York State Bar.



### **SCOTT GUARCELLO**

Combining both legal and technical expertise, Scott Guarcello's practice focuses on e-discovery, including topics concerning information governance, preservation, ESI protocols, protective orders, data collection, large-scale document review workflows leveraging technology-based analytical tools, document requests and related responses and objections, and production analyses and management. With over 13 years of significant complex e-discovery experience, Mr. Guarcello brings an expertise honed by the numerous e-discovery services and training programs that he created, led, and contributed to in key roles while serving as a Senior Managing Attorney for a global e-discovery consulting and services provider.

As a core member of the firm's litigation practice group, Mr. Guarcello has contributed to the successful settlement recoveries obtained on behalf of investors, totaling over \$800 million across numerous cases, including *City of Hollywood Police Officers' Retirement System and Pembroke Pines Pension Fund for Firefighters and Police Officers v. Henry Schein, Inc., et al.*, *Plymouth County Retirement System v. Patterson Companies, Inc., et al.*, *Peace Officers' Annuity and Benefit Fund of Georgia, et al. v. DaVita Inc., et al.*, and *In re Wells Fargo & Company Shareholder Derivative Litigation*.



Mr. Guarcello earned a Bachelor of Science from Stetson University and received a Juris Doctor from Florida International University where he graduated *cum laude* with a concentration in securities law. He was a regular recipient of the Dean's List Award and received the CALI Book Awards for the Complex Litigation and Corporate Tax courses. Mr. Guarcello has been awarded *Best Lawyers* "Ones to Watch!" 2023-2024, *Palm Beach Illustrated* "Top Attorney" 2020-2022, *Super Lawyers* "Rising Star" 2020, and the *Florida Trend* "Legal Elite" Award 2017-2018, and holds extensive e-discovery-related certifications. As an active participant in the e-discovery community, Mr. Guarcello has been a guest speaker for both small and large groups and is a member of The Sedona Conference.

Mr. Guarcello is a member of the Florida Bar.

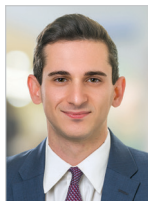


### **SCOTT KOREN**

Scott Koren is an Attorney at Saxena White. Mr. Koren concentrates his practice on litigating securities actions and derivative actions involving publicly traded companies. Mr. Koren's efforts are focused on all stages of litigation including new case development, motion practice, and pre-trial discovery. Mr. Koren has served on various litigation teams that successfully prosecuted cases against HD Supply Holdings, Inc., DaVita, Inc., FirstEnergy Corp., Evolent Health, Inc., and ProAssurance Corp., each settling with a favorable recovery for investors.

Mr. Koren received his Bachelor of Science in Business Management and Entrepreneurship from the University of Arizona and earned his Juris Doctor degree from Pace University School of Law.

Mr. Koren is a member of the New York Bar.



### **JUSTIN KRUMPER**

Justin Krumper is an Attorney in Saxena White's New York office, where he works on complex securities fraud matters.

Mr. Krumper received his Juris Doctor degree from The George Washington University Law School in 2022, where he graduated with honors. During law school, he was an Associate Editor of the *American Intellectual Property Law Association Quarterly Journal*, where he had his note published. He received his Bachelor of Science in Finance and Political Science from Florida State University, *cum laude*, in 2019 and was a Presidential Scholar.

Mr. Krumper is a member of the New York Bar.



### **JONATHAN D. LAMET**

Jonathan D. Lamet has extensive experience in litigating direct securities actions and derivative actions involving publicly traded companies. Recently, Mr. Lamet was a member of the litigation teams that successfully recovered a \$180 million derivative settlement for shareholders of FirstEnergy Corp. and a \$79.5 million derivative settlement for shareholder of Goldman Sachs Inc. He was also part of the securities class action litigation teams that obtained a \$63 million settlement for shareholders of Patterson Cos. and a \$25 million settlement for shareholders of GTT Communications, Inc. Before joining

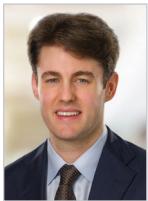


Saxena White, Mr. Lamet practiced securities litigation and class action defense at an Am-Law 100 firm, Akerman LLP.

Mr. Lamet has been recognized for his work on behalf of investors, including being named a 2021 “Up and Comer” in Florida Trend’s *Florida Legal Elite* and a 2023 “Rising Star” by *Super Lawyers*.

Mr. Lamet graduated from Yeshiva University, Sy Syms School of Business in 2010, where he received his Bachelor of Science in Business Management. He received his Juris Doctor degree from University of Miami School of Law in 2013, where he was a member of the *University of Miami Law Review*. While attending law school, Mr. Lamet interned for the United States Attorney’s Office, Economic Crimes Division, for the Southern District of Florida, and for the Honorable William Turnoff in the United States District Court for the Southern District of Florida.

Mr. Lamet is a member of the Florida Bar and the United States District Courts for the Southern and Middle Districts of Florida.



### **JOSHUA NELSON**

Joshua Nelson is an Attorney at Saxena White and a member of the Firm’s corporate governance litigation team. He represents institutional and individual investors in a wide variety of corporate governance and shareholder rights matters, with a focus on disputes arising under Delaware corporate law and litigation in the Delaware Court of Chancery.

Mr. Nelson has extensive experience in fiduciary duty and derivative actions, litigation arising from mergers and acquisitions, litigation arising under the Securities Act of 1933 and the Securities Exchange Act of 1934, and other complex litigation. Prior to joining Saxena White, Mr. Nelson was an attorney at a nationally recognized firm where he represented clients in a wide range of commercial disputes involving securities and complex financial transactions.

Mr. Nelson graduated with a Bachelor of Science degree, *cum laude*, from the University of Iowa in 2011, and earned his Juris Doctor from New York University School of Law in 2019. Mr. Nelson is a member of the New York Bar and is admitted to practice in the United States District Court for the Eastern and Southern Districts of New York.



### **DIANNE PITRE**

Dianne Pitre is a Senior Attorney at Saxena White and prosecutes securities fraud and corporate governance litigation on behalf of injured shareholders. With over a decade of experience litigating securities fraud class actions and shareholder derivative actions, Ms. Pitre has served on the litigation teams that successfully secured hundreds of millions of dollars in settlements, including in *In re Wells Fargo & Company Shareholder Litigation* (\$240 million settlement), *Peace Officers’ Annuity and Benefit Fund of Georgia, et al. v. DaVita Inc., et al.* (\$135 million settlement, the second largest all-cash securities class action settlement in United States District Court for the District of Colorado history), *In re Rayonier Inc. Securities Litigation* (\$73 million settlement), and *Plymouth County Retirement System v. Patterson Companies, Inc. et al.* (\$63 million settlement).

Ms. Pitre is the Chair of Saxena White’s Diversity and Social Responsibility Committee. She has been recognized as a 2024 *Best Lawyers* “Ones to Watch,” a 2023 “Rising Star of the Plaintiffs Bar” by ALM’s *The*



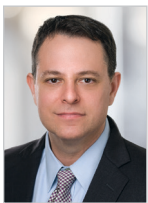
*National Law Journal*, a *Super Lawyers* “Rising Star” for the last six years in a row, and a “Top Lawyer” by *Palm Beach Illustrated*.

Before joining Saxena White, Ms. Pitre was a legal intern for Jack in the Box, Inc. and Alliant Insurance Services, Inc., where she worked extensively with their in-house departments. Ms. Pitre was an intern for Jewish Family Service of San Diego and Housing Opportunities Collaborative, two San Diego pro bono legal organizations. Additionally, she served as a Legal Intern for the San Diego City Attorney’s Office with their Advisory Division, Public Works Section.

Ms. Pitre graduated from the University of California, San Diego in 2008, where she received a Bachelor of Arts degree, majoring in Political Science with a minor in Law and Society. In 2012, she received her Juris Doctor degree from the University of San Diego School of Law. While attending law school, Ms. Pitre earned various scholarships and awards, including the San Diego La Raza Lawyers Association Scholarship and Frank E. and Dimitra F. Rogozienski Scholarship for outstanding academic performance in business law courses. She received two CALI Excellence for the Future Awards for receiving the top grade in her Fall 2011 International Sports Law and Entertainment Law classes. Ms. Pitre is an alumnus of Phi Delta Phi, the international legal honor society and oldest legal organization in continuous existence in the United States.

Ms. Pitre is a member of the Florida and California State Bars. She is admitted to practice before the United States District Courts for the Southern and Northern Districts of Florida and the Northern, Central, Southern, and Eastern Districts of California.

Ms. Pitre is fluent in Spanish.



#### **DAVID SCHWARTZ**

David Schwartz is Of Counsel to Saxena White and focuses his practice on event-driven and special situation litigation using legal strategies to enhance clients’ investment returns.

His extensive experience includes prosecuting, as well as defending against, securities and corporate governance actions for an array of domestic and international clients, including hedge funds, merger arbitrageurs, retail investors, pension funds, mutual funds, and asset management companies.

Mr. Schwartz has played a pivotal role in some of the largest securities class action and corporate governance cases in recent years, achieving over \$200 million in settlements in 2022 alone, including:

- *In re CannTrust, Inc. Securities Litigation* (\$129.5 million settlement);
- *In re Resideo Securities Litigation* (\$55 million settlement, one of the three largest in the Eighth Circuit);
- *Makris, et al. v. Ionis Pharmaceuticals, Inc., et al.* (\$12.5 million settlement); and
- *In re Mindbody, Inc. Securities Litigation* (\$9.75 million settlement).

Mr. Schwartz has helped secure leadership roles on behalf of his clients in some of the largest securities and Delaware breach of fiduciary duty class actions, including cases against Lordstown, Nikola, Alta Mesa, Novavax, Everbridge, QAD, and others.

Mr. Schwartz has been named a “Future Star” by *Benchmark Litigation* and was selected for three consecutive years to their “40 & Under Hot List,” which recognized him as one of the nation’s most accomplished attorneys. *Lawdragon* has recognized him as one of the country’s “500 Leading Plaintiff Financial Lawyers” and he has also been featured in *Lawdragon’s Lawyer Limelight* series.



Mr. Schwartz graduated *cum laude* from The University of Chicago in 2003 with a major in Economics and earned his Juris Doctor from Fordham University School of Law in 2008, where he served on the *Urban Law Journal*.

Mr. Schwartz is a member of the New York State Bar and is admitted to practice in the United States District Court for the Southern District of New York.



#### **ALEXANDER L. STROHMEYER**

Alexander L. Strohmeyer is a Senior Attorney at Saxena White. He focuses his practice on prosecuting complex securities fraud cases in trial courts throughout the United States and abroad. Prior to joining Saxena White, Mr. Strohmeyer was an Assistant United States Attorney for the United States Attorney's Office for the Middle District of Tennessee, Criminal Division, where he prosecuted a wide range of crimes including financial fraud, health care fraud, and general crimes.

Prior to his federal government experience, Mr. Strohmeyer was a litigation attorney at Greenberg Traurig in Miami, where he litigated a wide range of complex criminal and civil cases in state and federal courts, along with managing large internal investigations and regulatory compliance matters. Mr. Strohmeyer began his legal career in New York City as an litigation attorney with Lowenstein Sandler, practicing white collar criminal defense, handling large internal investigations and regulatory compliance matters, and litigating complex civil cases focused on the securities markets. Prior to his legal career, Mr. Strohmeyer worked in finance for Raymond James Financial.

Mr. Strohmeyer graduated from the University of Miami in 2010, where he received a Bachelor of Business Administration degree and Minors in French and Spanish. He received his Juris Doctor degree from the University of Pennsylvania Law School in 2016. While attending law school, Mr. Strohmeyer interned for the United States Attorney's Office for the Southern District of Florida, Major Crimes Division, and externed at the Philadelphia District Attorney's Office where he handled his own criminal caseload typical of a first-year Assistant District Attorney.

Mr. Strohmeyer is a member of the Florida and New York Bars. He is admitted to practice before the United States District Courts for the Southern District of Florida and the Middle District of Tennessee.



#### **DAVID L. WALES**

David L. Wales is Senior Counsel at Saxena White P.A., focusing on corporate governance litigation. Mr. Wales is an experienced securities litigator and trial attorney, and a former Assistant United States Attorney for the Southern District of New York.

During his career, Mr. Wales has led numerous significant corporate governance actions, including the derivative action against the board of directors of Pfizer Inc., arising out of the off-label marketing of pharmaceuticals, resulting in a \$75 million recovery and the first case requiring the establishment of a board-level regulatory compliance committee. Mr. Wales has been a leader in the fight against corporate abuse in the sale of opioids, including a derivative action on behalf of McKesson Corporation, achieving a \$175 million recovery and substantial corporate governance reforms, and successfully tried a books and records action against Walmart Inc. He was a leader in the action against the board and senior management of Twenty-First Century Fox, Inc., arising out of workplace harassment, obtaining a \$90 million recovery





and ground-breaking corporate governance reforms. Mr. Wales has successfully litigated numerous actions arising out of mergers and acquisitions, as well as conflicted transactions, including *In re New Senior Investment Group, Inc. Derivative Litigation*, a \$53 million recovery arising out of a conflicted transaction, and *In re Jefferies Group, Inc. Shareholders Litigation*, a \$70 million settlement on behalf of shareholders in the sale of the company.

Mr. Wales currently plays a key role on litigation teams for several significant shareholder rights matters, including matters involving the misuse of “shareholder agreements” to undermine the rights of investors to have companies managed by their elected board of directors, and matters involving self-dealing transactions to benefit a company’s largest shareholder at the expense of the company and its public shareholders.

Mr. Wales also has extensive experience successfully prosecuting class actions under the federal securities laws, including *In Re Merck & Co., Inc. Securities Litigation*, achieving a \$1.06 billion settlement weeks before trial, *Public Employees’ Retirement System of Mississippi v. Merrill Lynch & Co. Inc.*, obtaining a \$315 million settlement after arguing the first successful class certification motion in an RMBS action, and *In re Sepracor Corp. Securities Litigation*, a \$52.5 million recovery in a certified securities fraud class action.

Mr. Wales has been consistently recognized for his legal excellence. He is AV rated, the highest rating from *Martindale-Hubbell*<sup>®</sup>. He has also been named a top practitioner by *Legal 500*, a “New York Super Lawyer” in securities litigation by *Thomson Reuters*, and as one of the “500 Leading Plaintiff Financial Lawyers” by *Lawdragon*. Mr. Wales is a frequent speaker on corporate governance including ESG and securities fraud matters.

Mr. Wales graduated *magna cum laude* from the State University of New York at Albany and *cum laude* from the Georgetown University Law Center.

Mr. Wales is a member of the New York Bar and the District of Columbia Bar. He is admitted to the United States District Court for the Northern, Southern, Eastern and Western Districts of New York, the District of Columbia, the Eastern District of Michigan, and the Northern District of Illinois and the Trial Bar. He is also admitted to the United States Court of Appeals for the Second, Third and Fourth Circuits.



#### **ADAM WARDEN**

Adam Warden is a Senior Attorney at Saxena White. His practice focuses on representing institutional and individual investors in litigation involving corporate governance matters, class and derivative actions alleging breaches of fiduciary duty, and disputes involving mergers and acquisitions.

Mr. Warden has served on the litigation teams prosecuting several of the largest shareholder derivative actions in history, including *Employees Retirement System of the City of St. Louis v. Jones* (\$180 million settlement, along with valuable corporate governance reforms, in connection with FirstEnergy Corp.’s political bribery scheme in Ohio), *Fulton County Employees Retirement System v. Blankfein* (Goldman Sachs) (\$79.5 million settlement and corporate governance reforms, in connection with Goldman Sachs’s role in a Malaysian bribery scheme), and *In re Wells Fargo & Company Shareholder Litigation* (\$240 million settlement, in connection with Wells Fargo’s fake account scandal).

Mr. Warden has extensive experience litigating in the Delaware Court of Chancery, serving as a member of the litigation teams prosecuting *Cumming v. Edens* (New Senior Investment Group) (\$53 million derivative settlement related to acquisition by senior living operator New Senior Investment Group, Inc., one of the



largest recoveries by market cap in Delaware history), *In re Jefferies Group, Inc. Shareholders Litigation* (class action settlement of \$70 million, challenging conflicted merger transaction), and many other cases.

Mr. Warden has also litigated several securities fraud class actions, including *City of Birmingham Retirement and Relief System v. Credit Suisse Group* (\$15 million settlement) and *Keippel v. Health Insurance Innovations, Inc.* (\$11 million settlement).

Mr. Warden has been recognized as a *Super Lawyers* “Rising Star,” a *South Florida Legal Guide* “Up and Comer,” and a *Palm Beach Illustrated* “Top Lawyer.” He earned his Bachelor of Arts degree from Emory University in 2001 with a double major in Political Science and Psychology. He received his Juris Doctor from the University of Miami School of Law in 2004. During law school, Mr. Warden served as the Articles Editor of the *University of Miami International and Comparative Law Review*.

Mr. Warden is a member of the Florida Bar. He is admitted to the United States District Courts for the Southern, Middle, and Northern Districts of Florida.



#### **MARTI L. WORMS**

Marti Lewis Worms focuses on prosecuting all forms of complex securities and shareholder litigation, including class actions, individual actions, and derivative actions. Ms. Worms has significant expertise in all manners of commercial litigation, ranging from discovery and other pre-trial litigation to representing clients at arbitration and trial. Ms. Worms practiced business litigation for seven years representing individual and corporate clients in employment matters, products liability disputes, and consumer class actions at several large firms, including Gibson, Dunn & Crutcher. She served for a decade as the Supervising Research Attorney for the Honorable William McCurine, Jr., a Magistrate Judge for the U.S. District Court for the Southern District of California, where she managed a broad docket of civil matters from civil rights complaints to intellectual property actions.

Ms. Worms’ diverse legal background also includes teaching first-year law students as an Adjunct Professor of Law at the William & Mary Law School, where she created diversity-centered curriculum on professional identity development, cross-cultural competence and the elimination of bias in the law. She has also been an avid speaker and presenter on leadership and professionalism from her role as the Assistant Dean for Career & Professional Development at the University of San Diego School of Law.

Ms. Worms received her Juris Doctor from UCLA School of Law where she was a Joseph Drown Foundation Scholar; a judicial intern for the Honorable Audrey B. Collins, Associate Justice for the California Second District Court of Appeal; and a Teaching Assistant for Constitutional Law and Lawyering Skills. Ms. Worms received her Bachelor of Arts in Public Relations from the University of Southern California’s Annenberg School for Communication and Journalism.

Ms. Worms is a member of the California Bar. She is admitted to the United States District Courts for the Central, Eastern, and Southern Districts of California.



#### **WOLFRAM T. WORMS**

Wolfram T. Worms, Attorney, has over 20 years of experience in securities litigation and has assisted shareholders in recovering over a billion dollars. He began his career practicing law at a nationally recognized securities litigation firm and at Gibson Dunn and Crutcher LLP, a national



defense firm. Prior to joining Saxena White, Mr. Worms owned and operated a private investigation business specializing in securities fraud and related forms of corporate misconduct. In this capacity, Mr. Worms was engaged by court-appointed lead counsel, or prospective lead counsel, on hundreds of securities fraud cases. Representative examples of Mr. Worms' successful engagements as a private investigator include the securities class actions against Regions Financial Corporation (\$90 million settlement), Hospira, Inc. (\$60 million settlement), Sirva, Inc. (\$53 million settlement), and Baxter International (\$42.5 million settlement).

Mr. Worms has also coordinated with the U.S. Securities Exchange Commission and the U.S. Department of Justice on major securities fraud investigations and advised the U.S. Senate Financial Crisis Inquiry Commission regarding the role of rating agencies in the mortgage crisis.

Mr. Worms leverages his extensive experience in the field of securities litigation to identify and investigate potential new matters.

Mr. Worms received his Bachelor of Arts degree with a major in History from Western Oregon University. He earned his Juris Doctor from the UCLA School of Law.

Mr. Worms is a member of the California Bar. He is admitted to the United States District Courts for the Northern, Southern, Central, and Eastern Districts of California.

**PROFESSIONALS****JULIEN AUTISSIER***Data Analyst*

Mr. Autissier has demonstrated exceptional proficiency in database management, seamlessly integrating financial regulators' files to create a comprehensive information network. His expertise in data analysis has been instrumental in uncovering hidden narratives that significantly influence strategic case development. Mr. Autissier plays a crucial part in calculating losses for litigation cases and analyzing insider trading reports. He also contributes to the development of internal models designed to help clients maintain a firm grip on their financial assets.

Prior to joining Saxena White, Mr. Autissier gained exposure to the global capital markets through various roles in investment banking, brokerage, and with a leading financial provider. These experiences have equipped him with a solid foundation in financial modeling, quantitative analysis, and project management.

Mr. Autissier earned his Master in Management and an MSc in International Finance from the Rennes School of Business in France.

**SHERRIL CHEEVERS***Health and Wellness Coordinator*

Sherril Cheevers is Saxena White's Health and Wellness Coordinator. In this role, she provides guidance and support to employees on how to optimize their overall health and achieve their wellness objectives. Ms. Cheevers develops and coordinates wellness programs, educational presentations, and events for our employees to participate in. Ms. Cheevers also assists with organizing charitable events and opportunities for the Firm to give back to the community.

In addition to her role as Health and Wellness Coordinator, Ms. Cheevers is also a member of the Firm's Institutional Outreach group. Ms. Cheevers attends industry conferences and events and helps maintain client relations.

Ms. Cheevers earned her Bachelor of Science in Physical Education from the University of Tampa where she minored in Sports Management.

**MICHAEL A. D'ALONZO***Senior Investigator*

Michael A. D'Alonzo is a Senior Investigator at Saxena White. Prior to joining Saxena White, Mr. D'Alonzo served over 21 years with the FBI, most recently as the Assistant Special Agent in Charge of the FBI Miami Office. In this role, he was responsible for the oversight of the Miami Division's Resident Agencies and the Special Operations Group. As head of the Resident Agencies, he was responsible for both the counterterrorism and criminal investigations in the Fort Pierce, West Palm Beach, Homestead, and Key West Resident Agencies.



During his service with the FBI, Mr. D'Alonzo served as a Supervisory Special Agent for over nine years. While in the FBI Newark Division in New Jersey, he was responsible for Newark's Special Operations Group which provided support to covert and undercover operations, and Newark's Human Intelligence (HUMINT) Squad, responsible for identifying and addressing FBI intelligence gaps. In the Newark Division, he developed educational platforms for state and local law enforcement entities regarding the Newark Division Intelligence Program, while maintaining effective liaison with New Jersey colleges and universities, increasing domain awareness and intelligence production efforts.

Prior to his service with the FBI Newark Division, Mr. D'Alonzo served in the FBI New York Office as both a criminal and counterterrorism Supervisory Special Agent. In this role, he was responsible for New York's Civil Rights and Crimes Against Children programs. This role involved oversight of investigations related to human trafficking and kidnappings.

As a counterterrorism Supervisory Special Agent, Mr. D'Alonzo was responsible for a Joint Terrorism Task Force, ensuring coordination between other field offices, legal attaché offices, local law enforcement, state police, the Central Intelligence Agency, National Security Agency, Department of Homeland Security, and Department of Defense. Mr. D'Alonzo was also engaged with international terrorism cases that were worked hand in hand with foreign law enforcement organizations such as the Canadian Security Intelligence Service, Royal Canadian Mounted Police, New Scotland Yard, and British Security Services. He oversaw high profile investigations including Operation High Rise, Operation Silent Digit, Aafia Siddiqui, and Syed Hashmi, all of whom were found guilty of terrorism related charges.

Mr. D'Alonzo was elevated to Supervisory Special Agent at FBI Headquarters in the Counterterrorism Division's International Terrorism Operations Section I. In this role, he served as a program manager for numerous FBI field offices and was responsible for the coordination and support for FBI forward operations in the field. As a Special Agent assigned to the FBI New York Office, Mr. D'Alonzo was part of the FBI's Special Operations Group and the Criminal Division, working South American, Columbian drugs. Prior to his FBI employment, Mr. D'Alonzo served as a police officer in the State of New Jersey for nine years following his graduation from Villanova University.



### **SAM JONES**

*Senior Financial Analyst*

Sam Jones is a Senior Financial Analyst with Saxena White's California office. Prior to joining Saxena White, Mr. Jones worked for over 10 years as a financial and securities analyst at a leading securities litigation law firm, where he specialized in developing techniques for data modeling and visualization. He worked on numerous landmark securities cases including *In re Bank of America Securities Litigation* (\$2.425 billion recovery), *In re Lehman Brothers Equity/Debt Securities Litigation* (\$735 million recovery), *In re Wachovia Corp. Securities Litigation* (\$627 million recovery), and Merrill Lynch Mortgage Pass-Through Litigation (\$315 million recovery).

In the fallout of the housing and credit crisis, Mr. Jones pioneered techniques in data management and analysis for the firm's then-developing RMBS and structured finance practice. He has worked on numerous individual and class action RMBS cases against most of the major Wall Street banks.

Since joining Saxena White in 2019, Mr. Jones has worked on numerous cases from initial analysis of the fraud, through litigation and settlement. He has helped the Firm reach many landmark settlements against major corporations, including Covetrus (\$35 million settlement), Evolent Health (\$23.5 million settlement),



GTT Communications (\$25 million settlement), Health Insurance Innovations (\$11 million settlement), Merit Medical Systems (\$18.25 million settlement), and United Health Services (\$17.5 million settlement).

Mr. Jones currently works with the Firm's case-starting team, monitoring markets to identify and develop new litigation opportunities. In addition to identifying new cases, he also works with the Firm's opt-out practice group to identify possible opt-out cases and client outreach efforts.

Mr. Jones graduated from Vassar College in 1996, where he studied anthropology with a focus on history and economics. After graduation he worked extensively as a field archaeologist throughout the U.S. and in Israel before transitioning to a career in securities litigation and financial analysis.



**STEFANIE LEVERETTE**

*Manager of Client Services*

Stefanie Leverette is Saxena White's Manager of Client Services and has been with the Firm for nearly two decades. In this role, she manages the Firm's client outreach and development programs and oversees the Firm's portfolio monitoring program, through which the Firm provides customized monitoring, claims evaluation, and litigation services to more than 200 institutional clients who manage trillions of dollars in assets. Ms. Leverette is the primary liaison between institutional clients and the Firm.

Since joining Saxena White, Ms. Leverette has been responsible for the Firm's presence at national industry conferences and has represented the Firm in numerous professional organizations across the United States. She has also been a member of the Firm's Case Starting Team, providing institutional clients with important information regarding potential litigation. She works closely with the Firm's attorneys to assist clients through litigation-related discovery and with Firm Management on strategic initiatives that impact the Firm. In addition, Ms. Leverette supervises the team that timely distributes all client reports, notifications, new cases, and class action settlements that may impact investment portfolios and oversees the Firm's proprietary online client portal.

Ms. Leverette is a founding member of the Firm's Diversity and Social Responsibility Committee and a member of the Women's Initiative Subcommittee. She manages Saxena White's involvement in local and national charities and organizations that are meaningful to the Firm and its clients.

Ms. Leverette earned her undergraduate degree in Business Administration with a focus on Management from the University of Central Florida and her Master's in Business Administration with an emphasis on International Business from Florida Atlantic University.



**JEROME PONTRELLI**

*Chief of Investigations*

With over two decades of law enforcement experience, including 12 years with the Federal Bureau of Investigation, Jerome Pontrelli serves as Saxena White's Chief of Investigations. He oversees all of the Firm's efforts to detect, investigate, and prosecute securities cases. Prior to joining Saxena White, Mr. Pontrelli was Director of Investigations at a nationally recognized securities litigation firm, where his cases resulted in monetary relief for harmed investors in excess of \$4 billion. He was also part of the firm's initial SEC Whistleblower Program.



Throughout his award-winning career in the FBI and in private practice, Mr. Pontrelli has led over 100 investigations of possible securities violations and has developed extensive experience in securities-related matters. Mr. Pontrelli began his career with the FBI in Covert Special Operations and was later assigned to the FBI/NYPD Joint Bank Robbery Task Force. Following the September 11th attacks, Mr. Pontrelli was assigned to the Joint Terrorism Task Force. He later transferred to the White Collar Crime Health Care Fraud Unit. Mr. Pontrelli has an extensive network of high-level relationships throughout the state and federal law enforcement communities.

Mr. Pontrelli has been recognized for his outstanding law enforcement service with the Director's Award, Agent of the Month Award, U.S. Customs Merit Award, Special Operations Award, and a 9-11 Commendation. He was also inducted into the New Jersey Police Honor Legion.

Mr. Pontrelli received a Bachelor of Arts degree from St. Thomas Aquinas College and a Master of Arts degree from Seton Hall University. He graduated from the FBI Academy in 1996.



### **EDWARD STINSON**

*Manager of Information Technology*

Edward Stinson has been Saxena White's Manager of Information Technology (IT) for over a decade. Mr. Stinson oversees all of Saxena White's various IT needs, projects, and maintenance, and coordinates all internal and external IT partners. He is also responsible for managing the Firm's day-to day IT support, including all computer operations, cyber security, physical system maintenance, IT deliverables, and ongoing recommendations for risk mitigation. During his time with Saxena White, Mr. Stinson designed and built an entire network system spanning over four office locations, and including dozens of servers and the hosting of nearly 100 users. He also designed and implemented a SD-WAN solution utilizing FortiGate routers as a fault-tolerant component to an overall business continuity strategy.

Before joining Saxena White, Mr. Stinson was an aviation electrician in the United States Marines Corp. After honorably serving the military, he leveraged his skills and training to start his own Information Technology business in 1997. Mr. Stinson's specializes is in Network/System Administration and Engineering and has achieved multiple certifications in his field, including Certified Information Systems Security Professional, Microsoft Certified Systems Engineer, and Certified Network Administration. Mr. Stinson adheres to the "Semper Fidelis" motto and is committed to honing his expertise.

Mr. Stinson is a Certified Information Systems Security Professional and a Microsoft Certified Systems Engineer.



### **DANIEL SUNDQVIST**

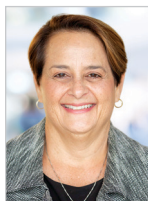
*European Client Relations*

Daniel Sundqvist oversees Saxena White's European Client Relations, working to expand the Firm's footprint throughout Europe. Prior to joining the Firm, since 2010 Mr. Sundqvist has worked in senior sales roles for Nordic institutions. For the last 12 years, Mr. Sundqvist was Head of Sales, a member of the executive committee, and Partner at Lannebo Fonder, one of Sweden's largest asset managers.



Mr. Sundqvist has significant experience working with Nordic institutions and works closely in a Consultant role with the Firm's leadership on institutional investor outreach as well as corporate governance and ESG matters.

Mr. Sundqvist earned his MSc in Finance from Umeå School of Business.



**ANABELLE TUCHMAN**

*Firm Administrator*

Anabelle Tuchman is Saxena White's Firm Administrator. In this role, she supervises Firm operations, including human resources, hiring and managing the support staff, overseeing administrative and billing matters, and handles other day-to-day Firm operation responsibilities. Ms. Tuchman also serves on Saxena White's Diversity and Social Responsibility Committee.

Ms. Tuchman brings nearly 20 years of experience in human resources in a law firm setting and has a strong background in talent acquisition, management, and training non-attorney staff members. She has distinctive interpersonal skills that aid her in identifying, attracting, and retaining highly qualified candidates.

Ms. Tuchman earned her Bachelor of Science from Emory University. She is a Society for Human Resource Management (SHRM) Certified Professional and is also certified by the Professional in Human Resources (PHR).



**RIAN WROBLEWSKI**

*Head of Investigative Intelligence*

With over 21 years of intelligence gathering experience, Rian Wroblewski serves as Saxena White's Head of Investigative Intelligence. He oversees all of the Firm's efforts to generate proprietary sources of intelligence using advanced technological tools, systems, and methods. Prior to joining Saxena White, Mr. Wroblewski was Senior Manager of Investigative Intelligence at Labaton Sucharow LLP, where his cases resulted in monetary relief for harmed investors in excess of \$4 billion. He was also part of the firm's initial SEC Whistleblower Program.

Over the years, Mr. Wroblewski has provided expert commentary to *The Washington Post*, *Investor's Business Daily*, Canadian Broadcasting Corporation, and other news outlets. Mr. Wroblewski has provided consulting to database providers, e-discovery vendors, corporate boards, and government entities throughout the world. He has extensive pro bono experience assisting political asylum seekers and targets of honor killings, working alongside the FBI and Department of State. Mr. Wroblewski is an active member of the FBI's InfraGard Program. He has an extensive network of high-level relationships within the global intelligence community.

Mr. Wroblewski received a Bachelor of Science degree from John Jay College of Criminal Justice in 2007.



**STAFF ATTORNEYS****MICHELE FASSBERG**

Michele Fassberg focuses her practice on e-discovery and document review. She also performs legal research and assists attorneys with preparation for depositions and mediation. She was a member of the discovery teams that assisted the Firm in successfully obtaining settlements against Davita (\$135 million settlement), TrueCar (\$28.25 million settlement) and Perrigo (\$31.9 million settlement).

Prior to working at Saxena White, Ms. Fassberg practiced in the areas of personal injury, worker's compensation, default, Fair Debt Collection Practices Act, and the Florida Deceptive and Unfair Trade Practices Act. She also worked as in-house counsel for a national lending institution.

Ms. Fassberg received her Bachelor of Arts from Florida International University and her Juris Doctor from St. Thomas University College of Law. Prior to beginning her legal career, Ms. Fassberg interned for the Honorable Michael H. Salmon in the 11th Judicial Circuit of Miami-Dade County, Florida.

Ms. Fassberg is a member of the Florida Bar and is admitted to the United States District Court for the Southern District of Florida.

**TARA HEYDT**

With over 25 years of experience, Tara Heydt has extensive experience with e-discovery in class actions, securities fraud, and other complex litigation matters. At Saxena White, in addition to document review, Ms. Heydt's responsibilities include quality control, deposition and mediation preparation, and legal research. She was a member of the discovery teams that assisted the Firm in successfully obtaining settlements against DaVita (\$135 million settlement), Wells Fargo (\$240 million settlement), and GTT (\$25 million settlement).

Ms. Heydt began her legal career in California, where her practice focused on civil litigation. After four years in private practice, Ms. Heydt served as a Research Attorney with the Los Angeles County Superior Court for 12 years, where she provided judges with recommended rulings on civil law and motion matters, both pre-trial and post-trial.

Ms. Heydt received her Bachelor of Arts, *magna cum laude*, from the University of Pennsylvania and her Juris Doctor from the University of California, Los Angeles School of Law.

Ms. Heydt is a member of the Florida Bar.

**CHRISTINE SCIARRINO**

Christine Sciarrino has extensive experience in e-discovery and litigation support services for class action securities fraud litigation. Her legal practice has focused primarily on early resolution of matters, with an objective toward achieving optimum results for litigating parties through superb pre-trial preparation and informed decision making. As an experienced practitioner for plaintiffs who have been wronged by financial institutions and other entities, Ms. Sciarrino has most recently



dedicated her expertise exclusively to this area. She was a member of the discovery teams that assisted the Firm in successfully obtaining settlements in Wilmington Trust (\$210 million settlement), Wells Fargo (\$240 million settlement), and DaVita (\$135 million settlement).

Ms. Sciarrino received her Bachelor of Arts with a major in History from Florida Atlantic University. She received her Juris Doctor from the St. Thomas University School of Law. Ms. Sciarrino also earned a Master of Fine Arts in Creative Writing at Florida Atlantic University in 2004.

Ms. Sciarrino is a member of the Florida Bar.

## OFFICES

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Suite 180  
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F: 858.369.0096

### DELAWARE

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[www.saxenawhite.com](http://www.saxenawhite.com)

# **Exhibit 5C**

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF PETER E. GELHAAR ON BEHALF OF DONNELLY,  
CONROY & GELHAAR, LLP IN SUPPORT OF LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

I, Peter E. Gelhaar, on oath, hereby declare as follows:

1. I am a partner in the law firm of Donnelly, Conroy & Gelhaar, LLP ("DCG"). I submit this Declaration in support of Lead Counsel's motion for an award of attorneys' fees in connection with services rendered by Plaintiffs' Counsel in the above-captioned securities class action ("Action"), as well as for payment of Litigation Expenses incurred by my firm in connection with the Action.<sup>1</sup> Unless otherwise stated, I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. DCG acted as Liaison Counsel for Lead Plaintiff and the Settlement Class in this Action. In that capacity, we worked with Lead Counsel on all aspects of the litigation, including

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement dated September 6, 2024 (ECF No. 72-1).

preparing for and participating in court conferences, reviewing pleadings, briefs, and communications with the Court, advising Lead Counsel on local practice, procedures, and requirements, and serving as the principal contact between Lead Plaintiff and the Court.

3. Attached as Exhibit 1 is a detailed summary showing the amount of time spent by each attorney and professional support staff employee at DCG who devoted time to the Action from its inception through and including October 31, 2024, and the lodestar calculation for those individuals based on their current hourly rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. All time expended in preparing this application for fees and expenses has been excluded.

4. The number of hours expended by DCG in the Action, from its inception through October 31, 2024, as reflected in Exhibit 1, is 46.7. The lodestar for my firm, as reflected in Exhibit 1, is \$39,195.00.

5. I believe that the number of hours expended and the services performed by the attorneys and professional support staff employees at my firm were reasonable and necessary for the effective and efficient prosecution and resolution of the Action.

6. The hourly rates for the personnel listed in Exhibit 1 are the rates currently charged for the services of these professionals in complex, high-stakes cases similar to this Action. DCG's hourly rates are based on a combination of the particular attorney's years of experience and title and the nature and complexity of the matter, as well as market rates for practitioners in the field. The rates on Exhibit 1 are, in my experience, reasonable for this type of work in Boston, Massachusetts.

7. As shown in Exhibit 2 to this Declaration, DCG seeks payment for \$1,212.54 in expenses incurred related to prosecuting and resolving the Action. Expense items are reported

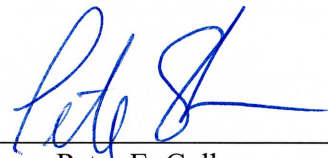
separately and are not duplicated in my firm's hourly rates. There are no administrative charges included in these figures.

8. The expenses incurred by DCG in the Action are reflected in expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. I believe these expenses were reasonable and necessary and expended for the benefit of the Settlement Class in the Action.

9. With respect to the standing of DCG, attached as Exhibit 3 is a firm résumé (also available at [www.dcglaw.com](http://www.dcglaw.com)), which includes information about DCG and the firm's attorneys who worked on this matter.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on October 30, 2024.



---

Peter E. Gelhaar

**EXHIBIT 1**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.,*  
 Case No. 1:22-cv-10321-ADB (D. Mass.)

**DONNELLY, CONROY & GELHAAR, LLP**

**TIME REPORT**

From Inception Through October 31, 2024

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Partners</b>			
T. Christopher Donnelly	17.8	\$850	\$15,130.00
Peter E. Gelhaar	23.9	\$850	\$20,315.00
Peter K. Levitt	5.0	\$750	\$3,750.00
<b>TOTALS:</b>	46.7	\$	\$39,195.00



**EXHIBIT 2**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**DONNELLY, CONROY & GELHAAR, LLP**

**EXPENSE REPORT**

<b>CATEGORY</b>	<b>AMOUNT</b>
Court Fees	\$1,175.00
On-Line Legal Research	\$24.69
Local Transportation	\$12.85
<b>TOTAL EXPENSES:</b>	<b>\$1,212.54</b>



**DONNELLY, CONROY & GELHAAR, LLP**

## About the Firm

Donnelly, Conroy & Gelhaar, LLP is a Boston-based law firm with a reputation for excellence in the areas of white collar criminal and government investigation defense, SEC enforcement defense, and complex business litigation. We are ardent litigators who defend individuals and companies facing high-stakes criminal or civil challenges to liberty, reputation and financial position. We take on your burdens, combining practical legal and business thinking with the right experience, relationships and judgment to fight your battles and achieve the best result in the context of your business and personal goals.

As legal strategists and former prosecutors, we understand the inner workings of the justice system. We have the intellectual depth to thoroughly examine the legal issues of a case and develop creative, innovative approaches to obtain relief, support claims and defeat the arguments of opposing parties—whether they be prosecutors or private litigants.

We are unfailingly practical as we approach your problem with a tailored plan of attack, and unique and effective legal arguments that nullify opponents.

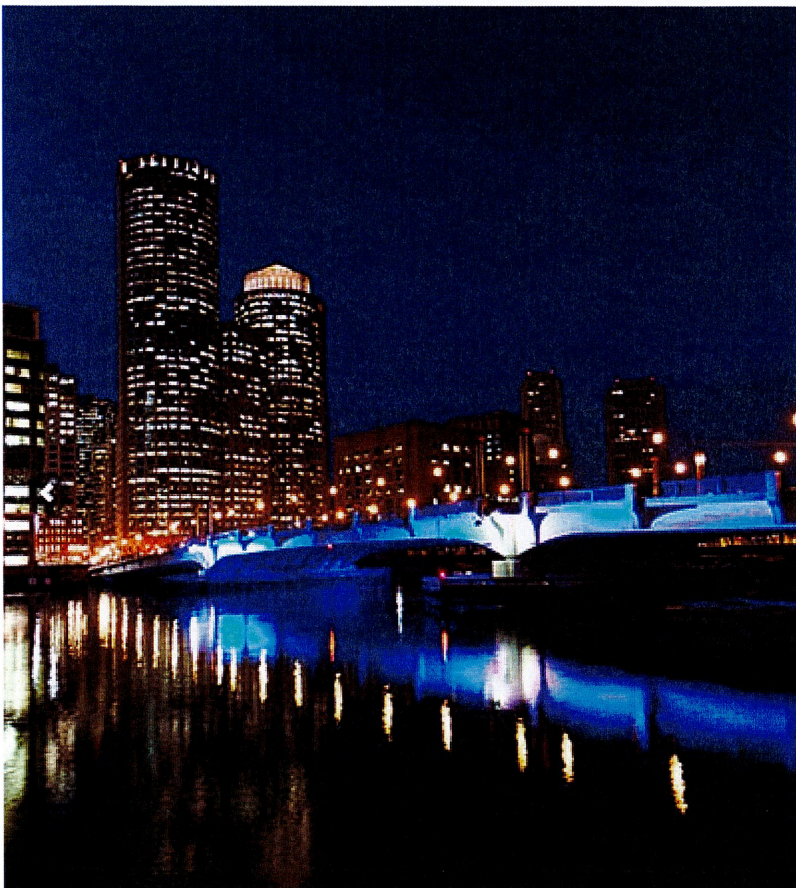
Our team has expertise across a broad range of industries. We do not focus in one particular business area because our clients represent a diversity of technologies, geography and markets. You need smart lawyers who are technically strong when it comes to analyzing and strategizing a case, and who have significant relationships with opposing counsel, prosecutors and regulators that bolster negotiating position and ability to dissuade pursuit of a case.

We're defined by:

- Familiarity with handling high-stakes cases
- Judgment to weigh the costs and benefits of a given strategy

- Respect we've earned from judges, prosecutors, regulators and opposing counsel
- Empathy, understanding and reassurance we offer every client

Donnelly, Conroy & Gelhaar, LLP is a founding member of **Concerto Legal**, a global network of boutique law firms located around the world. Information about the Concerto Legal network and its members is available here: <https://www.concerto.legal/>



## TEAM

Pietro A. Conte

T. Christopher Donnelly

Peter E. Gelhaar

Matthew N. Kane

Peter K. Levitt

Timothy H. Madden

Emma Notis-McConarty

Michelle R. Pascucci

Nicholas J. Ramacher

Daniel P. Tighe

George W. Vien

Print page (PDF)

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DONNELLY, CONROY & GELHAAR, LLP

## T. Christopher Donnelly



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[biography \(pdf\)](#)

[vcard](#)

**BIOGRAPHY**

**EXPERIENCE**

Over more than four decades, Christopher Donnelly has earned respect as an effective advocate for businesses and individuals wrestling with complex, high stakes disputes. Chris offers the depth

**and preparedness of an experienced trial lawyer, combined with practical and common-sense business thinking earned resolving hundreds of disputes inside and outside the courtroom.**

Chris handles disputes spanning a diverse range of issues faced by businesses and individuals—claims involving intellectual property, breach of contract, mergers and acquisitions, corporate control and governance, breach of fiduciary duty, employment, defamation, professional malpractice, and virtually every other commercial controversy. At stake in all of these cases are substantial financial and reputational rewards and risks. In each matter, understanding the client's goals and then developing a sensible practical plan to accomplish those aims are top priorities.

Chris is a highly experienced trial lawyer with substantial capability navigating a courtroom, having tried dozens of commercial cases spanning hundreds of trial days. He has also successfully ended countless proceedings through summary judgment or other dispositive motions. Equally valued by clients is his success in arbitration and mediation proceedings, delivering positive outcomes without the disruption, expense and time associated with protracted litigation or taking a case to trial.

Chris is a Fellow of the Litigation Counsel of America, the trial lawyer honorary society composed of less than one-half of one percent of American lawyers. He is recognized in the 2023 edition of Best Lawyers in America for his work in Commercial Litigation, Intellectual Property Litigation, Arbitration and Corporate Governance Law. Chambers USA recognized Chris as a leading Massachusetts Commercial Litigation Practitioner. In addition, Chris is selected annually by his peers as a New England and Massachusetts Super Lawyer in Business Litigation.

### **Merger & Acquisition Disputes**

- Obtained a winning jury verdict in a groundbreaking post-acquisition dispute involving implied reasonable efforts obligation.
- Won multimillion dollar arbitration award of post-closing milestone payments and attorneys' fees.

### **Professional Liability Litigation**

- Successfully defended a national accounting firm at a five week trial against \$25 million claims arising from allegations involving performance of audit engagement

and loan loss reserves.

- Prosecuted and defended legal malpractice cases, some involving millions of dollars.
- Represented clients in claims alleging breach of duties by trustees and other fiduciaries.

### **Intellectual Property Litigation**

- Successfully represented a biotechnology company in “bet the company” multi-forum lawsuits against a competitor company and major university in which we vindicated at trial our client's rights to its valuable inventions.
- Protected a musician’s rights to one of the most famous names in early rock ‘n roll through victory in federal circuit court.
- In a ground-breaking theft-of-idea case, won a complete victory following a two-week trial for a national magazine publisher.
- Won summary judgment dismissal of contributory copyright infringement and vicarious liability claims against a trade show producer.
- Handled a range of patent infringement cases covering a variety of inventions and issues.

### **Corporate Governance & Shareholder Disputes**

- Handled disputes among shareholders and directors of private, closely held companies with revenues ranging from several million to hundreds of millions of dollars.
- Won favorable jury verdict in dispute among owners of large closely held business.
- Represented officers and directors of public companies against allegations of breach of duties.
- Advised majority and minority shareholders regarding litigation avoidance.

### **Employment Litigation**

- Won dismissal after trial of age discrimination claims.
- Summary judgment dismissal of defamation claims in several cases.
- Successfully litigated countless claims involving non-competition and non-disclosure claims.

## **Appellate Litigation**

- Secured affirmance of trial court order denying national accounting firm's effort to compel arbitration of client claim.
- Secured affirmance of dismissed contract claims.

## **RELATED PRACTICES**

Complex Business Litigation  
Merger & Acquisition Disputes  
Intellectual Property Litigation  
Employment Litigation  
Appellate Litigation  
Arbitration & Mediation  
Corporate Governance &  
Shareholder Disputes

## **EDUCATION**

JD, with Honors, University of Michigan Law School, 1980  
SB, Massachusetts Institute of Technology 1977

## **CLERKSHIP**

Hon. Lawrence W. Pierce, United States Court of Appeals for the Second Circuit and United States District Court for the Southern District of New York

## **BAR ADMISSIONS**

Massachusetts  
United States Supreme Court  
United States Courts of Appeals for the First, Second, Ninth and Federal Circuits



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DONNELLY, CONROY & GELHAAR, LLP

## Peter E. Gelhaar



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[biography \(pdf\)](#)

[vcard](#)

**BIOGRAPHY**

**EXPERIENCE**

As a former federal prosecutor, Peter Gelhaar brings a rare combination of experience, reputation and relationships to bear in defending individuals, companies and other entities facing white

## **collar criminal, SEC or other government enforcement investigations or charges and high stakes civil litigation.**

Peter's defense of his clients begins with his understanding of how to assess and overcome the allegations brought against them. He understands that cases are usually won on the facts. Tapping decades of experience, Peter investigates the facts thoroughly and forms effective arguments to persuade prosecutors to decline to pursue their cases.

Peter defends a wide range of businesses whose activities intersect with regulatory scrutiny involving securities enforcement, health care, financial services, and government procurement. He also represents individuals in investigations and proceedings before professional disciplinary boards.

Peter's success defending white collar criminal and securities enforcement investigations is tied to his tenure as an Assistant U.S. Attorney for the District of Massachusetts. As a Federal prosecutor, he served in the Criminal Division as a member of the Major Crimes and Public Corruption Units, and in the Civil Division as Deputy Chief and Chief of Affirmative Civil Enforcement. Having specialized in the prosecution of cases involving financial fraud, government contracting fraud, and health care fraud, he has an insider's view of how best to defend against these cases.

Over the years, Peter has earned a reputation for working collaboratively and respectfully with all parties involved with bringing and defending cases. As a result, he has been appointed to serve on critical oversight boards including the Massachusetts Judicial Nominating Commission which plays a key role in selecting judges in the Commonwealth, and the Massachusetts Board of Registration in Medicine which oversees the medical profession. Peter also served as New England Regional Co-Chair of the American Bar Association's White Collar Crime Subcommittee. He is a frequent panelist in programs educating lawyers on criminal white collar and securities enforcement topics.

Peter is recognized as a Massachusetts leader in white collar crime and government investigations by Chambers USA which notes his "deep strategic sense." Chambers has observed that Peter "maintains a broad white-collar criminal litigation and investigations practice" with an "inordinate level of expertise in healthcare fraud matters... [and a] practical approach that doesn't involve reinventing the wheel." He has also been named a Massachusetts Super Lawyer and recognized by The Best Lawyers in America® for many consecutive years in a peer-driven selection process.

Peter serves as a Corporator for the Perkins School for the Blind, and serves as a Board member for Dress For Success Boston and the Narrow River Preservation Association.

### **White Collar Defense & Government Investigations**

- Obtained the dismissal at trial of bank fraud and bank bribery charges against the president and director of a large metropolitan Boston bank.
- Obtained a not guilty verdict against an individual accused of defrauding a federal agency.
- Successfully defended numerous targets of grand jury investigations addressing allegations of health care fraud.
- Exonerated numerous individuals accused of committing fraud against Federal and State taxing authorities.
- Successfully represented individuals involved in investigations concerning alleged violations of the Foreign Corrupt Practices Act.
- Successfully represented a defense contractor executive in an allegation of fraudulent pricing of work, creating false records and lying to auditors.
- Represented executives outside the United States in an investigation of patient injury allegedly tied to a medical device.

### **SEC Enforcement Defense**

- Successfully represented numerous individuals accused by the Securities and Exchange Commission of committing investor fraud, insider trading, accounting fraud violations, the market-timing of mutual funds, and the back-dating of stock options.
- Successfully defended investment advisors in investigations conducted by Federal prosecutors and securities regulators into fraudulent investment practices.
- Represented an investment advisor in an SEC investigation related to promotional materials.

### **RELATED PRACTICES**

White Collar Defense & Government Investigations

SEC Enforcement Defense

Corporate Governance & Shareholder Disputes

## **EDUCATION**

JD, *cum laude*, Boston College Law School, 1982, *Boston College Law Review*

BA, *cum laude*, University of Vermont, 1978, Phi Beta Kappa

## **CLERKSHIP**

Massachusetts Superior Court

## **BAR ADMISSIONS**

Massachusetts

United States District Court (D. Mass.)

United States Court of Appeals (1st Cir.)

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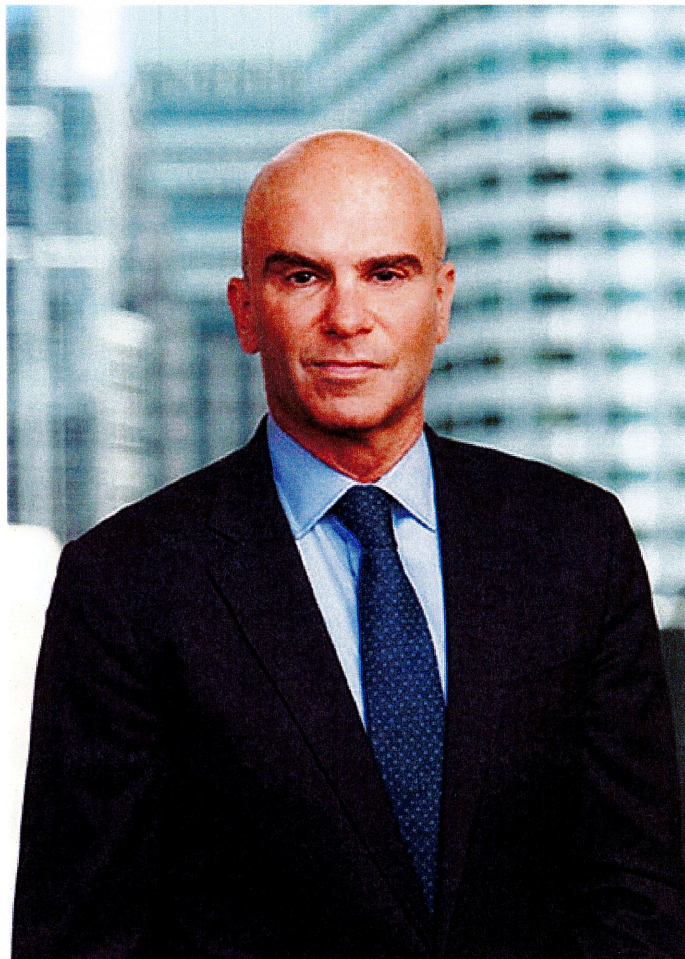
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DONNELLY, CONROY & GELHAAR, LLP

## Peter K. Levitt



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[biography \(pdf\)](#)

[vcard](#)

### BIOGRAPHY

### EXPERIENCE

Peter Levitt is an experienced trial lawyer who focuses his practice on representing entities and individuals in white collar criminal defense, internal investigations, regulatory enforcement defense, and Title IX and university discipline matters. Before joining DCG, Peter served for 17 years as an Assistant U.S. Attorney for the District of

Massachusetts. At the U.S. Attorney's Office, Peter served in the Health Care Fraud Unit, Drug Task Force, and as Chief of the Organized Crime and Gang Unit. Peter's work as a prosecutor included leading numerous successful investigations and prosecutions covering a broad spectrum of crimes, including health care fraud, financial fraud, money laundering, RICO, and tax evasion, as well as drug trafficking, murder, and murder for hire.

Prior to serving as a federal prosecutor, Peter worked at a large Boston law firm, and served as a Law Clerk for the Honorable Chief Judge Juan R. Torruella of the United States Court of Appeals for the First Circuit, and as a Law Clerk for the Honorable Nathaniel M. Gorton of the United States District Court for the District of Massachusetts.

Peter serves on the Board of Trustees of The Epiphany School and previously served on the Board of Trustees of Buckingham Browne & Nichols School.

Peter is honored as a Massachusetts Super Lawyer.

### **White Collar Defense & Government Investigations**

- Defended numerous individuals in federal and state health care fraud investigations.
- Represented individuals in federal investigations involving wire fraud, mail fraud, tax evasion, and other federal crimes.
- Conducted numerous internal investigations for entities subject to federal, state, and local regulatory oversight.

### **SEC Enforcement Defense**

- Represented individuals in Securities and Exchange Commission investigations relating to insider trading, fraud, and other securities related matters.

### **Disciplinary Investigations**

- Represented individuals in connection with disciplinary proceedings at university graduate and undergraduate level.

## **RELATED PRACTICES**

White Collar Defense & Government Investigations

SEC Enforcement Defense

## **EDUCATION**

JD, *summa cum laude*, Boston University School of Law, 1993

AB, Bowdoin College, 1988

## **BAR ADMISSIONS**<sup>L</sup>

Massachusetts

United States District Court (D.Mass)

United States Court of Appeals (1st Cir.)

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# **Exhibit 5D**

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND  
POLICE OFFICERS' RETIREMENT TRUST,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and  
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**DECLARATION OF JOHN L. DAVIDSON ON BEHALF OF  
DAVIDSON BOWIE, PLLC IN SUPPORT OF LEAD COUNSEL'S  
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

I, John L. Davidson, hereby declare as follows:

1. I am a partner in the law firm of Davidson Bowie, PLLC ("Davidson Bowie"). I submit this declaration in support of Lead Counsel's motion for an award of attorneys' fees in connection with services rendered by Plaintiffs' Counsel in the above-captioned securities class action ("Action").<sup>1</sup> Unless otherwise stated, I have personal knowledge of the facts set forth herein and, if called upon, could and would testify thereto.

2. Davidson Bowie served as additional counsel for Lead Plaintiff Public Employees' Retirement System of Mississippi in the Action. In that capacity, I, on behalf of my firm, assisted Lead Counsel by, among other tasks, reviewing draft pleadings and briefs, assisting in responding

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Stipulation and Agreement of Settlement dated September 6, 2024 (ECF No. 72-1).

to discovery requests directed toward Lead Plaintiff, advising on issues particular to Mississippi law, and assisting in the mediation and settlement process and strategic decision making.

3. Attached as Exhibit 1 is a detailed summary showing the amount of time spent by each attorney at Davidson Bowie who devoted ten (10) or more hours to the Action from its inception through and including October 31, 2024, and the lodestar calculation for those individuals based on their current hourly rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. All time expended in preparing this application for fees and expenses has been excluded.

4. The number of hours expended by Davidson Bowie in the Action, from its inception through October 31, 2024, as reflected in Exhibit 1, is 78.25. The lodestar for my firm, as reflected in Exhibit 1, is \$27,387.50.

5. I believe that the number of hours expended and the services performed by the attorneys at my firm were reasonable and necessary for the effective and efficient prosecution and resolution of the Action. My hourly rate listed in Exhibit 1 is consistent with the hourly rate my firm has charged Lead Plaintiff for my services in non-contingent matters. Hourly rates at Davidson Bowie are largely based on a combination of the title and years of experience for each attorney, as well as market rates for practitioners in the field.

6. With respect to the standing of my firm, attached hereto as Exhibit 2 is a brief biography of my firm.

I declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on November 6, 2024.

  
\_\_\_\_\_  
John L. Davidson

**EXHIBIT 1**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.,*  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**DAVIDSON BOWIE, PLLC**

**TIME REPORT**

From Inception Through October 31, 2024

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Partners</b>			
John L. Davidson	78.25	\$350	\$27,387.50
<b>TOTALS:</b>	<b>78.25</b>		<b>\$27,387.50</b>

**EXHIBIT 2**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.,*  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**DAVIDSON BOWIE, PLLC**

**FIRM RESUME**

## DAVIDSON | BOWIE

Davidson Bowie, PLLC was established in 2004 by partners John L. Davidson and F. Lee Bowie. Mr. Davidson and Mr. Bowie have been practicing law since 1990 and collectively, have decades of litigation experience. Davidson Bowie, PLLC has represented hundreds of individuals involving complex matters, including securities cases. The firm has obtained recovery on behalf of investors for claims of fraud, breach of fiduciary duty, unsuitable investments, churning and failure to supervise against numerous financial advisors, broker dealers, variable annuity companies and mutual fund companies. Most notable are the multi-million dollar arbitration awards for retired Kansas City Southern investors and retired American Airlines pilots against InterSecurities, Inc. and Securities America, Inc. for fraud and breach of fiduciary duty.

Some of the firm's most notable awards regarding securities litigation include:

- Awarded \$9.3 million for claims filed by three retired American Airlines pilots against Securities America and their financial advisor in Texas for, among other things, excessive trading in leveraged Rydex mutual funds. The firm also represented dozens of retired American Airlines pilots in a multi-million dollar settlement stemming from this trial.
- Awarded \$2.2 million for claims against a St. Petersburg, FL broker-dealer to four retired Kansas City Southern railroad workers. The award, which included punitive damages, was directed against InterSecurities Inc., a broker-dealer and registered investment advisor, and two of its representatives in New Orleans, LA. The four claimants, who had opened IRA rollover accounts at the firm, alleged InterSecurities placed excessive amounts of their retirement assets in high-cost, high-fee variable annuities from an affiliate, Western Reserve Life Insurance Co.

Davidson Bowie, PLLC has also represented clients in a variety of other complex cases ranging from class actions to claims on behalf of States for consumer protection and "*parens patriae*" claims. The firm currently serves as outside counsel for several states' attorney general representing Mississippi, Arkansas, Louisiana and Ohio. Below are some of the accomplishments of which the firm is most proud:

- The firm filed the first opioid case in the country on behalf of a State, seeking to hold drug makers like Johnson & Johnson, Purdue Pharma, and Teva Pharmaceuticals responsible for the opioid epidemic.
- The firm filed class actions in South Carolina and Florida against StarCraft for their manufacture of thousands of defective church buses that a multi-year investigation revealed failed to meet Federal Motor Vehicle Safety Standards. The result was a multi-million dollar confidential settlement and a NHTSA recall of thousands of vehicles.
- The firm filed a class action against the largest limousine manufacturer in the nation for manufacturing defective limousines that violate the Federal Motor Vehicle Safety Standards.
- The firm filed and settled a national class action against Hibbetts Sporting Goods for violations of the Fair Labor Standards Act.



John L. Davidson is the managing partner of Davidson Bowie, PLLC. His firm represents clients throughout the country in matters ranging from complex securities cases to catastrophic injury cases.

Mr. Davidson, J.D. began his legal career in 1990 after graduating from the University of Mississippi Law School. He worked as a felony prosecutor in both Dallas, Texas and Jackson, Mississippi until 1998. Mr. Davidson has personally tried dozens of cases, including assisting in the successful re-prosecution of the murder of slain civil rights worker Medgar Evers. During the last four years of his prosecutorial career he ran the Grand Juries and homicide prosecutions division for the Jackson, Mississippi Circuit Court.

In 1998, Mr. Davidson went into private practice. That firm eventually became the largest plaintiffs practice in Mississippi, handling pharmaceutical cases, crashworthy litigation, and securities fraud claim.

**DAVIDSON BOWIE, PLLC**  
1062 Highland Colony Parkway  
200 Concourse, Suite 275  
Ridgeland, Mississippi 39157  
Telephone: (601) 932-0028  
Facsimile: (601) 932-0115  
<https://www.dbslawfirm.net>

# **Exhibit 6**



**EXHIBIT 6**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**BREAKDOWN OF PLAINTIFFS' COUNSEL'S  
EXPENSES BY CATEGORY**

<b>CATEGORY</b>	<b>AMOUNT</b>
Court Fees	\$1,175.00
Online Factual & Legal Research	\$35,109.99
Document Management & Litigation Support	\$2,517.00
Telephone	\$370.64
Postage & Express Mail	\$239.36
Printing & Photocopying	\$66.50
Transportation, Lodging & Meals	\$9,207.21
Experts & Consultants	\$64,812.50
Court Reporting & Transcripts	\$600.00
Mediation	\$15,650.00
<b>TOTAL:</b>	<b>\$129,748.20</b>

# **Exhibit 7**

**EXHIBIT 7**

*City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*,  
Case No. 1:22-cv-10321-ADB (D. Mass.)

**COMPENDIUM OF UNPUBLISHED AUTHORITY  
CITED IN FEE MEMORANDUM**

<b>Exhibit</b>	
7A	<i>Machado v. Endurance Int'l Grp. Holdings, Inc.</i> , Case No. 1:15-cv-11775-GAO, slip op. (D. Mass. Sept. 13, 2019), ECF No. 98
7B	<i>Gerneth v. Chiasma, Inc.</i> , No. 1:16-cv-11082-DJC, slip op. (D. Mass. June 27, 2019), ECF No. 225
7C	<i>Godinez v. Alere Inc.</i> , No. 1:16-cv-10766-PBS, slip op. (D. Mass. June 6, 2019), ECF No. 283
7D	<i>In re CVS Corp. Sec. Litig.</i> , No. 01-11464 (JLT), slip op. at 7 (D. Mass. Sept. 7, 2005), ECF No. 195
7E	Edward Flores & Svetlana Starykh, RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2023 FULL-YEAR REVIEW (NERA Economic Consulting, Jan. 23, 2024)
7F	<i>In re FibroGen, Inc., Sec. Litig.</i> , Case No. 3:21-cv-02623-EMC, slip op. (N.D. Cal. Aug. 1, 2024), ECF No. 259
7G	<i>In re James River Group Holdings, Ltd. Sec. Litig.</i> , Case No. 3:21-cv-00444-DJN, slip op. (E.D. Va. May 24, 2024), ECF No. 131
7H	<i>In re SolarWinds Corp. Sec. Litig.</i> , Case No. 1:21-cv-00138-RP, slip op. (W.D. Tex. July 28, 2023), ECF No. 111
7I	<i>Sheet Metal Workers Local 19 Pension Fund v. ProAssurance Corp.</i> , Case No. 2:20-cv-00856-RDP, slip op. (N.D. Ala. Jan. 17, 2024), ECF No. 171
7J	<i>Hayden v. Portola Pharms. Inc.</i> , Case No. 3:20-cv-00367-VC, slip op. (N.D. Cal. Mar. 6, 2023), ECF No. 259
7K	<i>Fulton County Employees' Ret. Sys. v. Blankfein</i> , Case No. 1:19-cv-01562-VSB, slip op. (S.D.N.Y. Jan. 20, 2023), ECF No. 106
7L	<i>In re Novo Nordisk Sec. Litig.</i> , Case No. 3:17-cv-00209-ZNQ-LHG, slip op. (D.N.J. July 13, 2022), ECF No. 361
7M	<i>In re: Party City Holdco, Inc., et al., Debtors</i> , Case No. 23-90005 (DRJ), Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Goodwin Procter LLP as Attorneys for the Audit Committee of Party City Holdco Inc. (Bankr. S.D. Tex. Apr. 27, 2023), ECF No. 927

<b>Exhibit</b>	
7N	<i>In re LL Flooring Holdings, Inc., et al., Debtors</i> , No. 24-11680-BLS, Application of the Debtors for Entry of an Order (I) Authorizing the Retention and Employment of Skadden, Arps, Slate, Meagher & Flom LLP as Counsel to the Debtors Effective as of the Petition Date and (II) Granting Related Relief (Bankr. D. Del. Aug. 23, 2024), ECF No 127
7O	<i>Ahearn v. Credit Suisse First Boston LLC</i> , No. 03-CV-10956 (JLT), slip op. (D. Mass. June 7, 2006), ECF No. 82
7P	<i>Public Employees' Ret. Sys. of Miss. v. Mohawk Industries, Inc.</i> , No. 4:20-cv-00005-WMC, slip op. (N.D. Ga. May 31, 2023), ECF No. 138
7Q	<i>In re Jeld-Wen Holding, Inc. Sec. Litig.</i> , No. 3:20-cv-00112-JAG, slip op. (E.D. Va. Nov. 22, 2021), ECF No. 300

# **Exhibit 7A**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

CHRISTOPHER MACHADO, and MICHAEL  
RUBIN, Individually and on Behalf of All Others  
Similarly Situated,

Plaintiff,

v.

ENDURANCE INTERNATIONAL GROUP  
HOLDINGS, INC., HARI RAVICHANDRAN,  
and TIVANKA ELLAWALA,

Defendants.

Case No. 1:15-cv-11775-GAO

**ORDER AWARDING ATTORNEYS' FEES  
AND REIMBURSEMENT OF LITIGATION EXPENSES**

This matter came on for hearing on September 13, 2019 (the "Settlement Hearing") on Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Settlement Class Members who or which could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *Investor's Business Daily* and was transmitted over the *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and Litigation Expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated July 6, 2018 (ECF No. 77-1) (the “Stipulation”) and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Settlement Class Members.

3. Notice of Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for an award of attorneys’ fees and expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995 (15 U.S.C. §§ 77z-1(a)(7), 78u-4(a)(7)), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Plaintiffs’ Counsel are hereby awarded attorneys’ fees in the amount of 33 1/3 % of the Settlement Fund and \$155,370.34 in reimbursement of Plaintiffs’ Counsel’s litigation expenses (which fees and expenses shall be paid from the Settlement Fund), which sums the Court finds to be fair and reasonable. Lead Counsel shall allocate the attorneys’ fees awarded amongst Plaintiffs’ Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. In making this award of attorneys’ fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found that:

(a) The Settlement has created a fund of \$18,650,000 million in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Lead Counsel;

(b) Copies of the Postcard Notice were mailed to over 30,000 potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not exceed 33 1/3% of the Settlement Fund and reimbursement of Litigation Expenses in an amount not to exceed \$225,000. There were no objections to the requested attorneys' fees and expenses;

(c) Lead Counsel has conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(d) The Action raised a number of complex issues;

(e) Had Lead Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiff and the other members of the Settlement Class may have recovered less or nothing from Defendants;

(f) Plaintiff's Counsel devoted 7,433.15 hours, with a lodestar value of approximately \$3,508,288.75 to achieve the Settlement;

(g) The amount of attorneys' fees awarded and expenses to be reimbursed from the Settlement Fund are fair and reasonable and consistent with awards in similar cases; and

6. Lead Plaintiff Christopher Machado is hereby awarded \$ 5,000 from the Settlement Fund as reimbursement for his reasonable costs and expenses directly related to his representation of the Settlement Class.



7. Named Plaintiff Michael Rubin is hereby awarded \$ 2,000 from the Settlement Fund as reimbursement for his reasonable costs and expenses directly related to his representation of the Settlement Class.

8. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

9. Exclusive jurisdiction is hereby retained over the parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order.

10. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

11. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

Dated: September 13, 2019

/s/ George A. O'Toole, Jr.  
HON. GEORGE A. O'TOOLE  
UNITED STATES DISTRICT JUDGE

# **Exhibit 7B**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

JOHN J. GERNETH, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHIASMA, INC., et al.,

Defendants.

---

) No. 1:16-cv-11082-DJC

) CLASS ACTION

) ~~PROPOSED~~ ORDER AWARDING  
) ATTORNEYS' FEES AND EXPENSES AND  
) AWARD TO LEAD PLAINTIFF  
) PURSUANT TO 15 U.S.C. §77z-1(a)(4)

This matter having come before the Court on June 27, 2019, on Lead Counsel's motion for an award of attorneys' fees and expenses ("Fee Motion"), the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this class action (the "Litigation") to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation of Settlement ("Stipulation" or "Settlement") filed with the Court. *See* ECF No. 197.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. Notice of Lead Counsel's Fee Motion was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the Fee Motion met the requirements of Rules 23 and 54 of the Federal Rules of Civil Procedure, 15 U.S.C. §77z-1(a)(7), the Securities Act of 1933, as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby awards Lead Counsel attorneys' fees of 30% of the \$18,750,000 Settlement Amount, plus expenses in the amount of \$133,501.54, together with the interest earned on such amounts for the same time period and at the same rate as that earned by the Settlement Fund. The Court finds that the amount of fees awarded is appropriate, fair, and reasonable under the "percentage-of-recovery" method.

5. The fees and expenses shall be allocated among Lead Plaintiff's Counsel in a manner which, in Lead Counsel's good-faith judgment, reflects the contributions of such counsel to the prosecution and settlement of the Litigation.

6. The awarded attorneys' fees and expenses shall be paid immediately to Lead Counsel subject to the terms, conditions, and obligations of the Stipulation.

7. In making the award to Lead Counsel of attorneys' fees and litigation expenses to be paid from the recovery, the Court has considered and found that:

(a) The Settlement has created a common fund of \$18,750,000 in cash and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlement created by the efforts of Lead Counsel;

(b) The requested attorneys' fees and payment of litigation expenses have been approved as fair and reasonable by the Lead Plaintiff;

(c) Notice was disseminated to Class Members stating that Lead Counsel would be moving for attorneys' fees not to exceed 30% of the Settlement Amount and payment of litigation expenses in an amount not to exceed \$250,000, plus interest earned on both amounts;

(d) Lead Counsel have expended substantial time and effort pursuing the Litigation on behalf of the Class;

(e) Lead Counsel pursued the Litigation on a contingent basis, having received no compensation during the Litigation, and any fee award has been contingent on the result achieved;

(f) The Litigation involves complex factual and legal issues and, in the absence of the Settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) Lead Counsel conducted the Litigation and achieved the Settlement with skillful and diligent advocacy;

(h) Public policy concerns favor the award of reasonable attorneys' fees in securities class action litigation;

(i) The amount of attorneys' fees awarded is fair and reasonable and consistent with awards in similar cases within the First Circuit; and

(j) Lead Plaintiff's Counsel devoted 6,237 hours, with a lodestar value of \$3,785,640.00 to achieve the Settlement.


8. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fee and expense application shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

9. Pursuant to 15 U.S.C. §77z-1(a)(4), the Court awards \$10,000.00 to Lead Plaintiff Laurent Sberro in connection with his representation of the Class.

10. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided by the Stipulation and shall be vacated in accordance with the Stipulation.

IT IS SO ORDERED.

DATED: June 27, 2019

  
\_\_\_\_\_  
THE HONORABLE DENISE J. CASPER  
UNITED STATES DISTRICT JUDGE

# **Exhibit 7C**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

JUDITH GODINEZ, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

ALERE INC., *et al.*,

Defendants.

Civil Action No. 1:16-cv-10766-PBS

~~[PROPOSED]~~ ORDER AWARDING ATTORNEYS' FEES AND EXPENSES AND  
APPROVING COMPENSATORY PAYMENT TO LEAD PLAINTIFFS

Lead Counsel's Motion for Award of Attorneys' Fees Lead Counsel's Motion for an Award of Attorneys' Fees, Reimbursement of Litigation Expenses and Compensatory Award for Lead Plaintiffs (ECF No. 273) is GRANTED as follows:

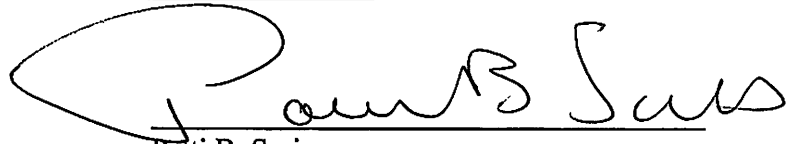
1. The Court hereby awards Class Counsel 28% of the Settlement Fund (\$5,600,000) in attorneys' fees. The Court also awards Class Counsel reimbursement of \$792,081.56 of expenses in the aggregate. These awards are to be allocated in the sole discretion of Class Counsel.

2. The Court hereby awards Class Plaintiffs OFI and Glazer reimbursement of \$30,000 each for the time and expenses they incurred in prosecuting this action.

2. The attorneys' fees and expenses approved by the Court herein shall be payable from the Settlement Fund to Class Counsel within seven (7) days after entry of this Order, notwithstanding the existence of any potential appeal or collateral attack on this Order or the on the Court's Judgment Approving Class Action Settlement. The reimbursement awards approved by the Court herein shall be payable from the Settlement Fund to the respective Class Plaintiffs within seven (7) days after the Effective Date.



SO ORDERED this 6 day of June, 2019.

A handwritten signature in black ink, appearing to read "Patti B. Saris". The signature is written in a cursive style with a large, prominent loop at the beginning.

Patti B. Saris  
Chief United States District Judge

# **Exhibit 7D**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

_____	X	
	:	
IN RE CVS CORPORATION SECURITIES	:	C.A. No. 01-11464 (JLT)
LITIGATION	:	
	:	
_____	X	

**ORDER AND FINAL JUDGMENT**

This matter came before the Court for hearing pursuant to an Order dated June 8, 2005 (the "Preliminary Approval Order"), on the application of the parties for approval of the settlement provided for in the Stipulation and Agreement of Compromise, Settlement and Release of Securities Action dated June 6, 2005 (the "Securities Stipulation"); and

Due and adequate notice having been given to members of the Class (as defined below), as required in the Preliminary Approval Order, and following such notice, a hearing having been held before this Court on September 7, 2005 (the "Settlement Hearing") to determine the matters contemplated herein; and

The Court having considered all papers and filings had herein and otherwise being fully informed of the premises and good cause appearing therefore; and

All capitalized terms herein having the same meanings defined in the Securities Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Court has jurisdiction over the subject matter of the Securities Action, Lead Plaintiff, all members of the Class and the Defendants.

2. For the reasons set forth in the Court's Order dated October 16, 2003, the Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23 (a) and (b)(3) have been satisfied in that: (a) the number of members of the Class are so numerous that joinder of all members in the Class is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Class Representative are typical of the claims of the Class it seeks to represent; (d) the Class Representative has and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby finally certifies this action as a class action on behalf of a plaintiff class (the "Class") consisting of all persons or entities who purchased the common stock of CVS Corporation ("CVS") between February 6, 2001 and October 30, 2001, inclusive, and who were allegedly damaged thereby. Excluded from the Class are the Defendants, all of the officers, directors and partners thereof, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which any of the foregoing have or had a controlling interest. Also excluded from the Class are the persons and/or entities who previously excluded themselves from the Class by filing a request for exclusion in response to the Notice of Pendency, as listed on Exhibit 1 annexed hereto.

4. The Notice of the Proposed Settlement of Class Action, Motion For Attorneys' Fees, and Settlement Fairness Hearing, which was previously approved by the Court, was given to all members of the Class who could be identified with reasonable effort. The Court finds that the form of notice specified in the Court's Preliminary Approval Order has been given. The form and method of notice as so provided constituted the best notice practicable under the circumstances, satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended, and due process, and constituted due and sufficient notice to all persons and entities entitled thereto.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby approves the settlement set forth in the Securities Stipulation (the "Settlement") and finds that the Settlement is, in all respects, fair, reasonable and adequate to members of the Class. The parties are authorized and directed to consummate the Settlement in accordance with the terms and provisions of the Securities Stipulation.

6. Except as to any individual claim of those persons who have validly and timely requested exclusion from the Class, the Court hereby dismisses the Securities Action with prejudice and without costs (except as otherwise provided in the Securities Stipulation) as to any and all Settled Claims, including Unknown Claims, that were or could have been asserted in the Securities Action by or on behalf of Lead Plaintiff and the Class Members.

7. All Class Members and the successors and assigns of any of them, are hereby permanently barred and enjoined from instituting, commencing or prosecuting

any and all claims, whether known or unknown (including Unknown Claims), and whether arising under federal, state, or any other law, against the Released Parties, which have been, or could have been, asserted in the Securities Action or in any court or forum, relating to or arising from the acts, facts, transactions and circumstances that were alleged in the Complaint and which relate to or arise from the purchase or sale of CVS common stock during the Class Period (the “Settled Claims”). The “Released Parties” are any of the Defendants, and any of the families, heirs, executors, trustees, personal representatives, estates or administrators, attorneys, counselors, insurers, financial or investment advisors of any such Defendant who is a natural person, and the affiliates, partners, subsidiaries, predecessors, successors or assigns, past or present officers, directors, associates, controlling persons, representatives, employees, attorneys, counselors, insurers, financial or investment advisors, dealer managers, consultants, accountants, investment bankers, commercial bankers, engineers, advisors or agents of CVS, all in their capacities as such. The Settled Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Parties on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

“Settled Claims” do not include any claims against the Released Parties arising under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* (“ERISA”) that are the subject of another class action pending in the United States District Court, District of Massachusetts, Fescina v. CVS Corp., et al., Civil Action No. 04-12309-JLT, other than claims that the price of CVS common stock purchased on the open market during the Class Period was artificially inflated as alleged in the Complaint.

8. Upon the Effective Date, Lead Plaintiff and all Class Members shall be deemed to have covenanted not to sue any of the Released Parties in any individual, class or other representative capacity with respect any Settled Claim.

9. The Defendants, the successors and assigns of any of them, and, to the extent of their authority to act on behalf of the Released Parties, the Released Parties, are hereby permanently barred and enjoined from instituting, commencing or prosecuting all claims, whether known or unknown (including Unknown Claims), and whether arising under federal, state, or any other law, which have been, or could have been, asserted in the Securities Action or in any court or forum, by the Defendants or any of them or the successors and assigns of any of them against any of the Plaintiffs, Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Securities Action (except for claims to enforce the Securities Stipulation or the Settlement) (the "Settled Defendants' Claims"). The Settled Defendants' Claims are hereby compromised, settled, released, discharged and dismissed on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

10. This Order and Final Judgment, the Securities Stipulation and its exhibits, the terms and provisions thereof, and any of the negotiations or proceedings connected with them, and any of the documents or statements referred to therein shall not be:

(a) offered or received against any of the Defendants or other Released Parties as evidence of or a presumption, concession, or admission by any Defendant or other Released Party of the truth of any fact alleged by any of the plaintiffs or the validity of any claim that has been or could have been asserted in the Securities Action or in any

litigation, or the deficiency of any defense that has been or could have been asserted in the Securities Action or in any litigation, or of any liability, negligence, fault, or wrongdoing on the part of any of the Defendants or other Released Parties;

(b) offered or received against any of the Defendants or other Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant or Released Party;

(c) offered or received against any of the Defendants or other Released Parties as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Defendants or Released Parties, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Securities Stipulation; provided, however, that the Defendants and the Released Parties may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against the Defendants or other Released Parties as an admission or concession that the consideration to be given hereunder represents the amount which could or would have been recovered after trial in the Securities Action; or

(e) construed as or received in evidence as an admission, concession or presumption against plaintiffs or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Settlement Fund.



11. The Plan of Allocation is approved as fair and reasonable, and Lead Plaintiff's Co-Lead Counsel and the Claims Administrator are directed to administer the Settlement in accordance with its terms and provisions.

12. The Court finds that all parties and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

13. Plaintiffs' Counsel are hereby awarded 25% of the Settlement Fund in attorneys' fees, which sum the Court finds to be fair and reasonable, and \$ 2,472,092.30 in reimbursement of expenses, which amounts shall be paid to Lead Plaintiff's Co-Lead Counsel from the Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in the Securities Action in a fashion which, in the opinion of Lead Plaintiff's Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Securities Action. Attorneys' fees and expenses awarded by the court in the Derivative Action to derivative plaintiff's counsel in the amount up to \$750,000 shall be payable from the award to Lead Plaintiff's Co-Lead Counsel in the Securities Action.

14. In making this award of attorneys' fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found that:

(a) the Settlement has created a fund of \$110 million in cash (which is already on deposit), plus interest thereon, and that numerous Class Members who submit

acceptable Proofs of Claim will benefit from the Settlement created by Lead Plaintiff's Co-Lead Counsel;

(b) Over 320,000 copies of the Settlement Notice were disseminated to putative Class Members indicating that Plaintiffs' Counsel were moving for attorneys' fees from the Settlement Fund in an amount of up to twenty-five percent (25%) of the Settlement Fund and for reimbursement of their expenses in the approximate amount of \$2,700,000 and two (2) objections were filed against the terms of the proposed Settlement or the ceiling on the fees and expenses requested by Plaintiffs' Counsel contained in the Notice;

(c) Lead Plaintiff's Co-Lead Counsel have conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(d) The Securities Action involves complex factual and legal issues and was actively prosecuted over almost four years and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(e) Had Lead Plaintiff's Co-Lead Counsel not achieved the Settlement there would remain a significant risk that Plaintiffs and the Class may have recovered less or nothing from the Defendants; and

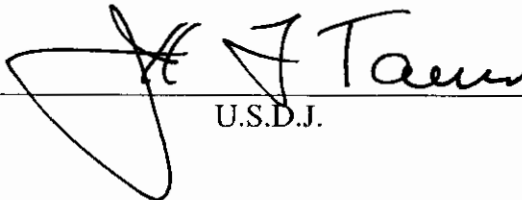
(f) The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Fund are consistent with awards in similar cases.

15. Without affecting the finality of this Judgment in any way, the Court hereby retains jurisdiction over (a) implementation of the Settlement and any award or distribution from the Settlement Fund; (b) disposition of the Settlement Fund; (c) any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class; and (d) over the parties and Class Members for all matters relating to this Securities Action, including the administration, interpretation, effectuation or enforcement of the Securities Stipulation and this Order and Final Judgment.

16. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Securities Stipulation.

17. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

SO ORDERED this 27<sup>th</sup> day of September, 2005.

  
\_\_\_\_\_  
U.S.D.J.

# **Exhibit 7E**



# RECENT TRENDS IN SECURITIES CLASS ACTION LITIGATION: 2023 FULL-YEAR REVIEW

By Edward Flores and Svetlana Starykh<sup>1</sup>

# FOREWORD

I am excited to share NERA's "Recent Trends in Securities Class Action Litigation: 2023 Full-Year Review" with you. This year's edition builds on work carried out over more than three decades by many of NERA's securities and finance experts. Although space does not permit us to present all the analyses the authors have undertaken while working on this year's edition or to provide details on the statistical analysis of settlement amounts, we hope you will contact us if you want to learn more about our research or our work in securities litigations. On behalf of NERA's securities and finance experts, I thank you for taking the time to review this year's report and hope you find it informative.

**DAVID TABAK, PhD**

Senior Managing Director



## INTRODUCTION

There were 228 new federal securities class action suits filed in 2023, ending a four-year decline in filings seen from 2019 to 2022. The increase in filings was mainly driven by an increase in the number of suits alleging Rule 10b-5 violations. Fueled by turmoil in the banking industry, filings in the finance sector more than doubled in 2023, comprising 18% of new filings. The number of filings related to the environment quadrupled in 2023 compared to 2022.

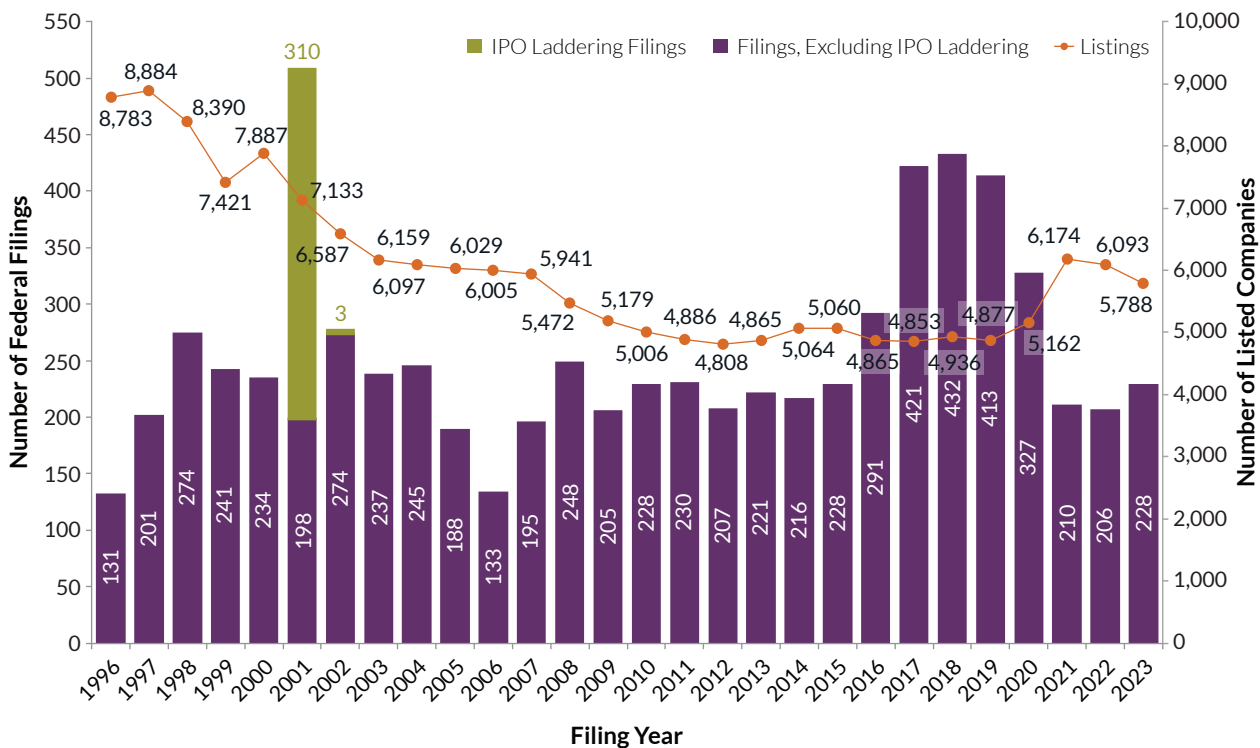
For the sixth consecutive year, there was a decline in the number of resolutions. There were 190 cases resolved in 2023, consisting of 90 settlements and 100 dismissals, marking the lowest recorded level of resolutions in the last 10 years. More than half of the decline in resolutions was driven by a decrease in the number of settled cases with Rule 10b-5, Section 11, and/or Section 12 claims.

Aggregate settlements totaled \$3.9 billion in 2023, with the top 10 settlements of the year accounting for over 66% of this amount. Aggregate plaintiffs' attorneys' fees and expenses totaled \$972 million, accounting for 24.9% of the 2023 aggregate settlement value. The average settlement value increased by 17% in 2023 to \$46 million, though this was largely driven by the presence of a \$1 billion settlement. The median settlement value for 2023 was \$14 million, a nominal 7% increase from the inflation-adjusted median settlement value in 2022.

# TRENDS IN FILINGS

From 2019 to 2022, there was a decline in the number of federal filings. In 2023, there were 228 new cases filed, an increase from the 206 cases filed in 2022 (see Figure 1).<sup>2</sup> Standard cases, which contain alleged violations of Rule 10b-5, Section 11, and/or Section 12, accounted for most new filings with 206.<sup>3</sup> In particular, filings involving only Rule 10-5 claims increased by 34% from 137 in 2022 to 184 in 2023. On the other hand, there were only seven merger-objection suits filed in 2023, marking a 10-year low. There was also a decline in filings involving crypto unregistered securities, dropping to 11 in 2023 from the 16 observed in 2022.<sup>4</sup> See Figure 2.

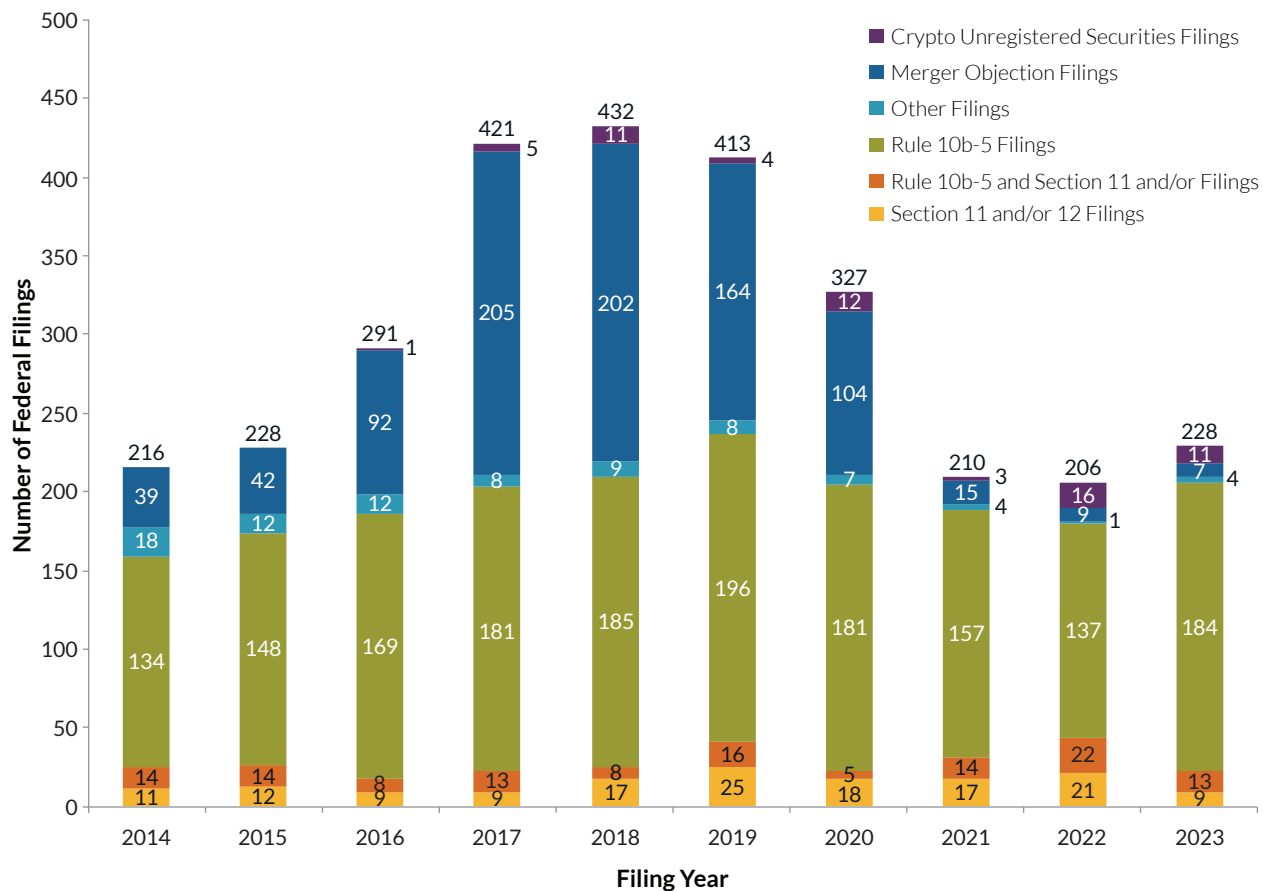
Figure 1. Federal Filings and Number of Companies Listed in the United States  
January 1996–December 2023



Note: Listed companies include those listed on the NYSE and Nasdaq. Listings data obtained from World Federation of Exchanges (WFE). The 2023 listings data are as of October 2023.

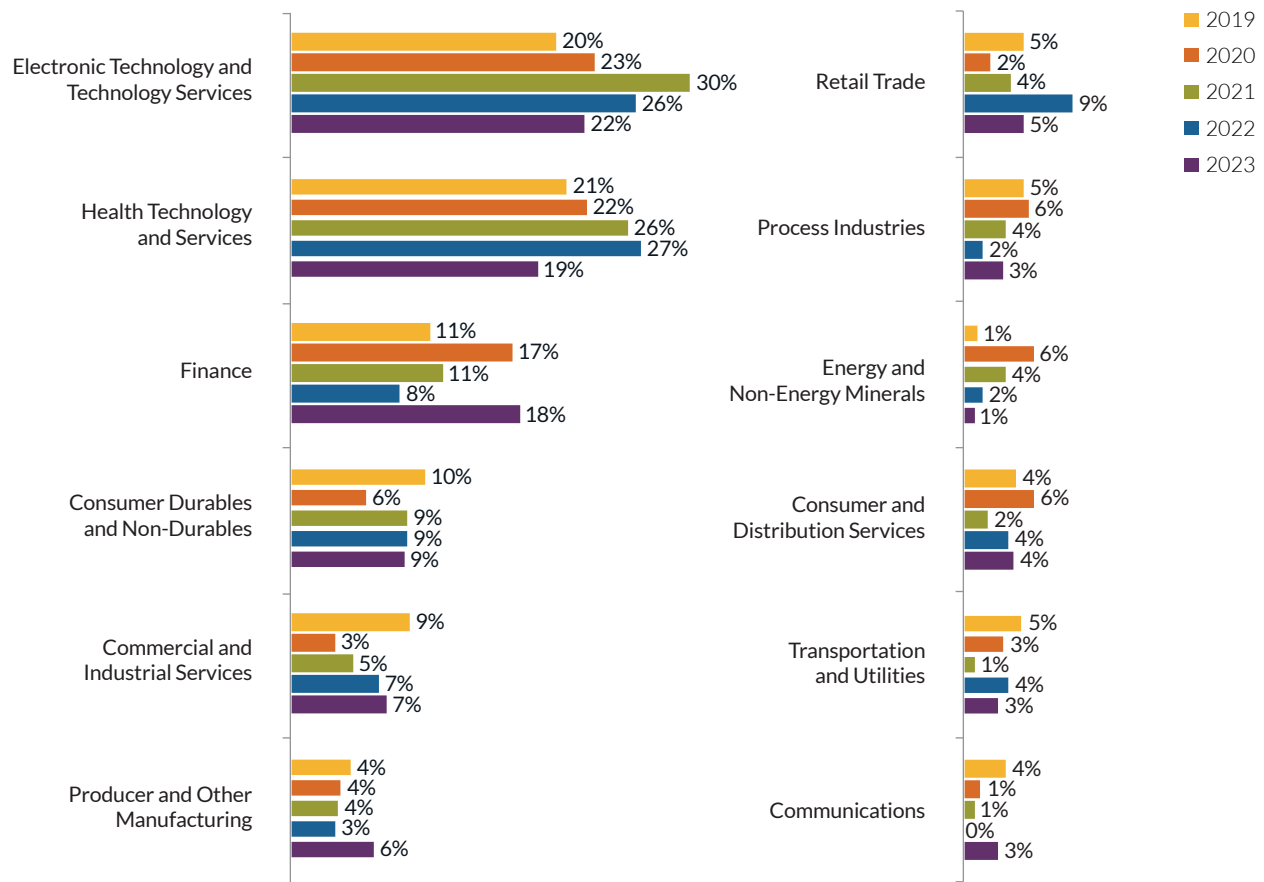


Figure 2. Federal Filings by Type  
January 2014–December 2023



Excluding merger-objection and crypto unregistered securities cases, the electronic technology and technology services sector accounted for 22% of new filings, the largest proportion of any sector. After hitting a five-year low in 2022, there was a resurgence in filings in the finance sector in 2023, accounting for 18% of new filings. This is more than double the percentage in 2022 and was partly due to the banking crisis in early 2023. On the other hand, the percentage of suits in the health technology and services sector declined from 27% in 2022 to 19% in 2023, partially driven by a decline in COVID-19-related suits. See Figure 3.

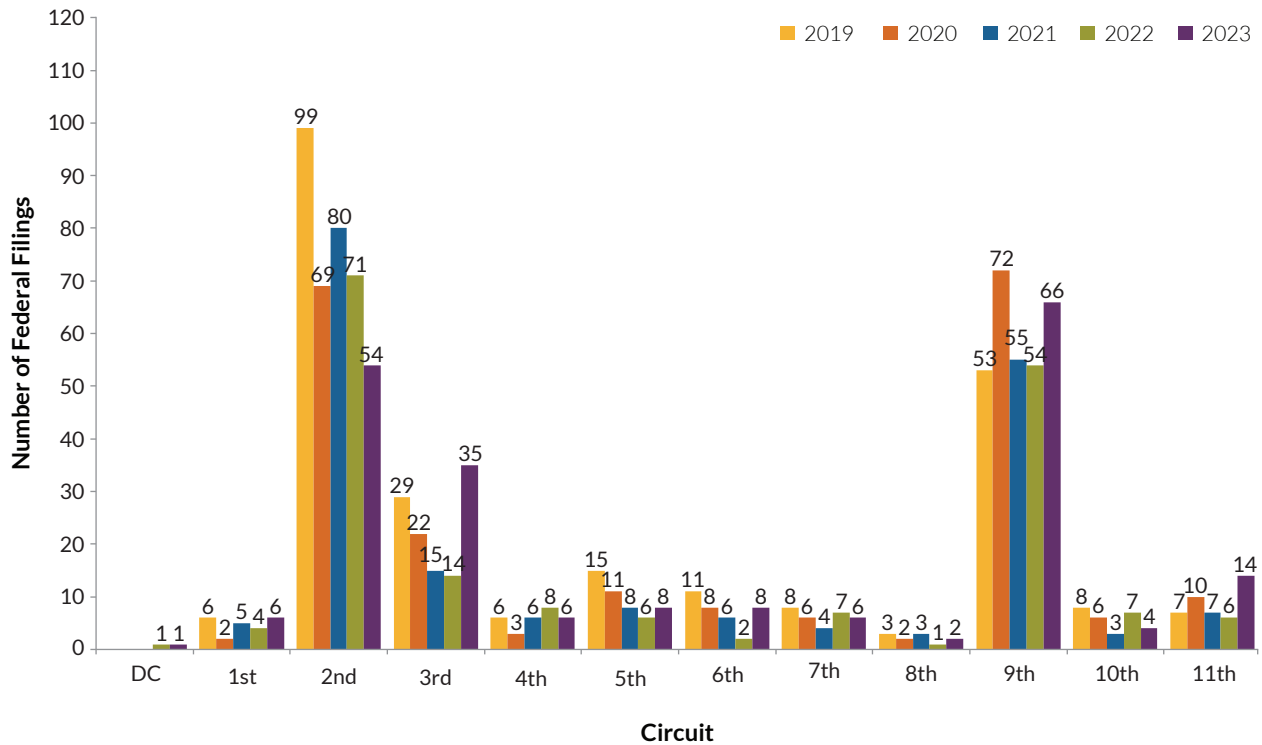
Figure 3. Percentage of Federal Filings by Sector and Year  
 Excludes Merger Objections and Crypto Unregistered Securities  
 January 2019–December 2023



Note: This analysis is based on the FactSet Research Systems, Inc. economic sector classification. Some of the FactSet economic sectors are combined for presentation.

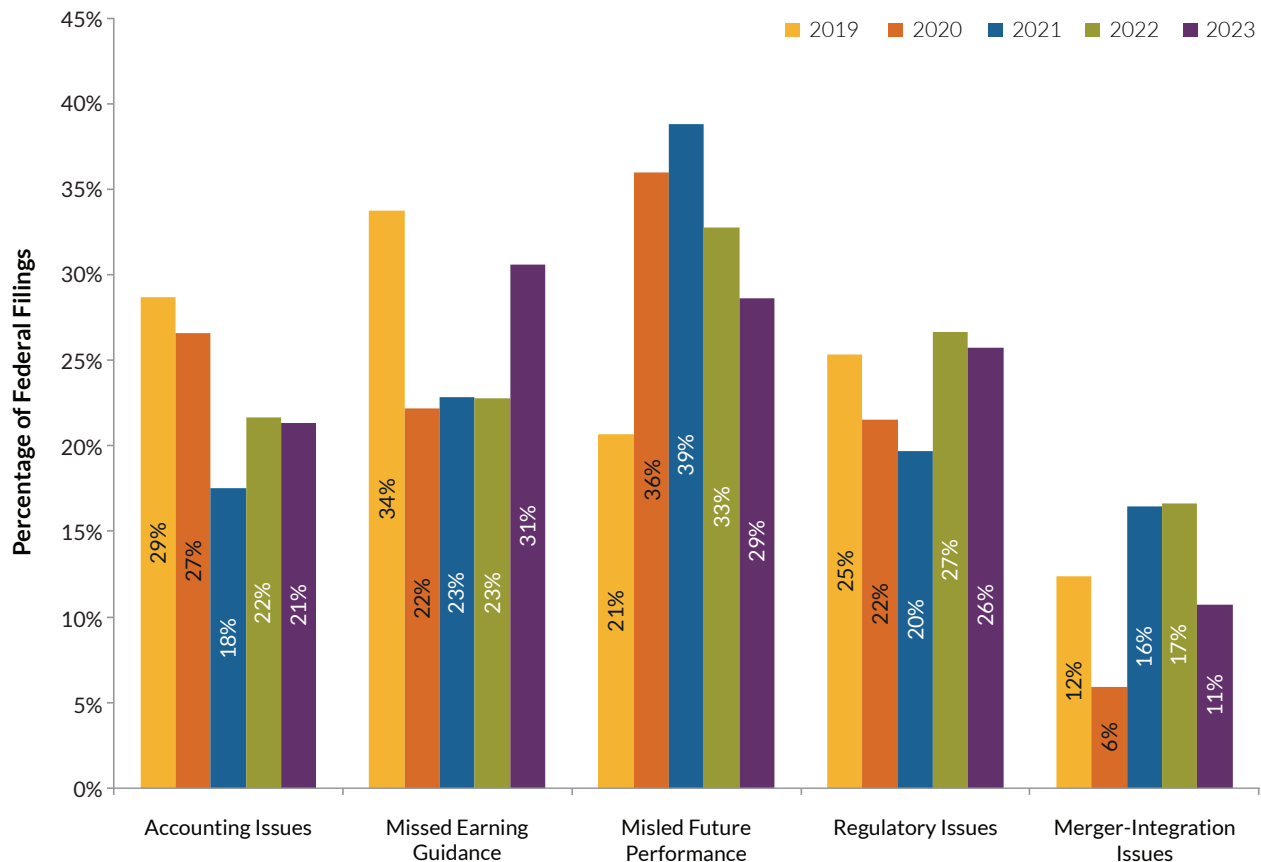
The Second, Third, and Ninth Circuits continue to be the jurisdictions with the most cases filed, together accounting for 155 of the 210 non-merger-objections, non-crypto unregistered securities filings. The Ninth Circuit witnessed 66 new filings, marking a 22% increase from 2022. The number of filings in the Second Circuit declined by 24% to 54, marking a five-year low. The Third Circuit accounted for 35 filings, more than double the number of cases in 2022. Elsewhere, there were 14 cases filed in the Eleventh Circuit, marking a five-year high. See Figure 4.

Figure 4. **Federal Filings by Circuit and Year**  
 Excludes Merger Objections and Crypto Unregistered Securities  
 January 2019–December 2023



Among filings of standard cases, 31% included an allegation related to missed earnings guidance and 29% included an allegation related to misled future performance.<sup>5</sup> Meanwhile, the percentage of standard cases containing an allegation related to merger-integration issues declined by one-third to 11%, partially driven by a decline in SPAC-related filings. See Figure 5.

Figure 5. **Allegations**  
Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12  
January 2019–December 2023



## FILINGS AGAINST FOREIGN COMPANIES

Historically, foreign companies with securities listed on US exchanges have been targeted with securities class action suits at a higher rate than their proportion of US listings, though this trend has reversed over the past two years.<sup>6</sup> In 2023, 18.9% of filings of standard cases were against foreign companies, compared to 24.1% of US listings represented by foreign companies. See Figure 6.

In 2023, there were 39 standard suits filed against foreign companies, a slight increase from 2022 (see Figure 7). Suits against companies in Asia accounted for 19 filings, while another 14 filings were against European companies. Nearly 36% of cases involving foreign companies had an allegation related to regulatory issues, compared to 23% for US companies. See Figure 8.

Figure 6. Foreign Companies: Share of Filings and Share of Companies Listed on US Exchanges  
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12  
 January 2014–December 2023

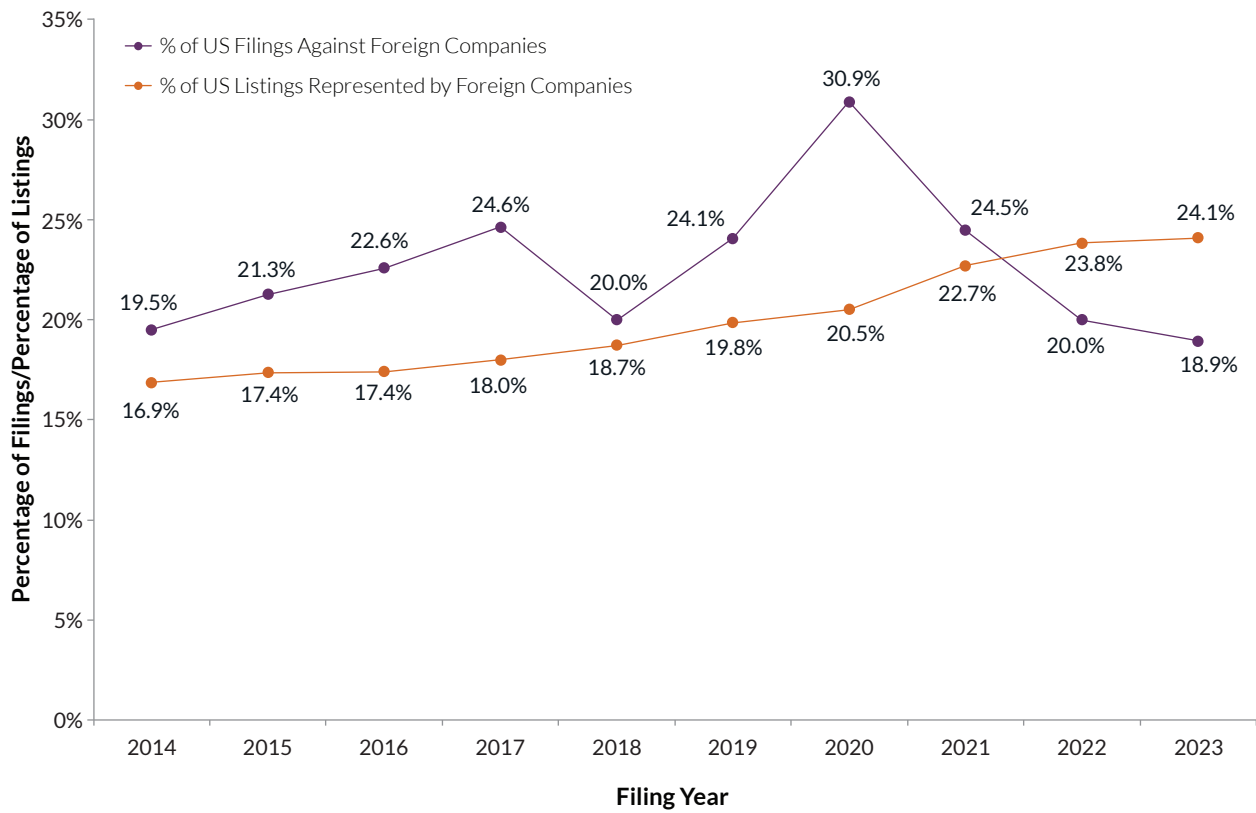
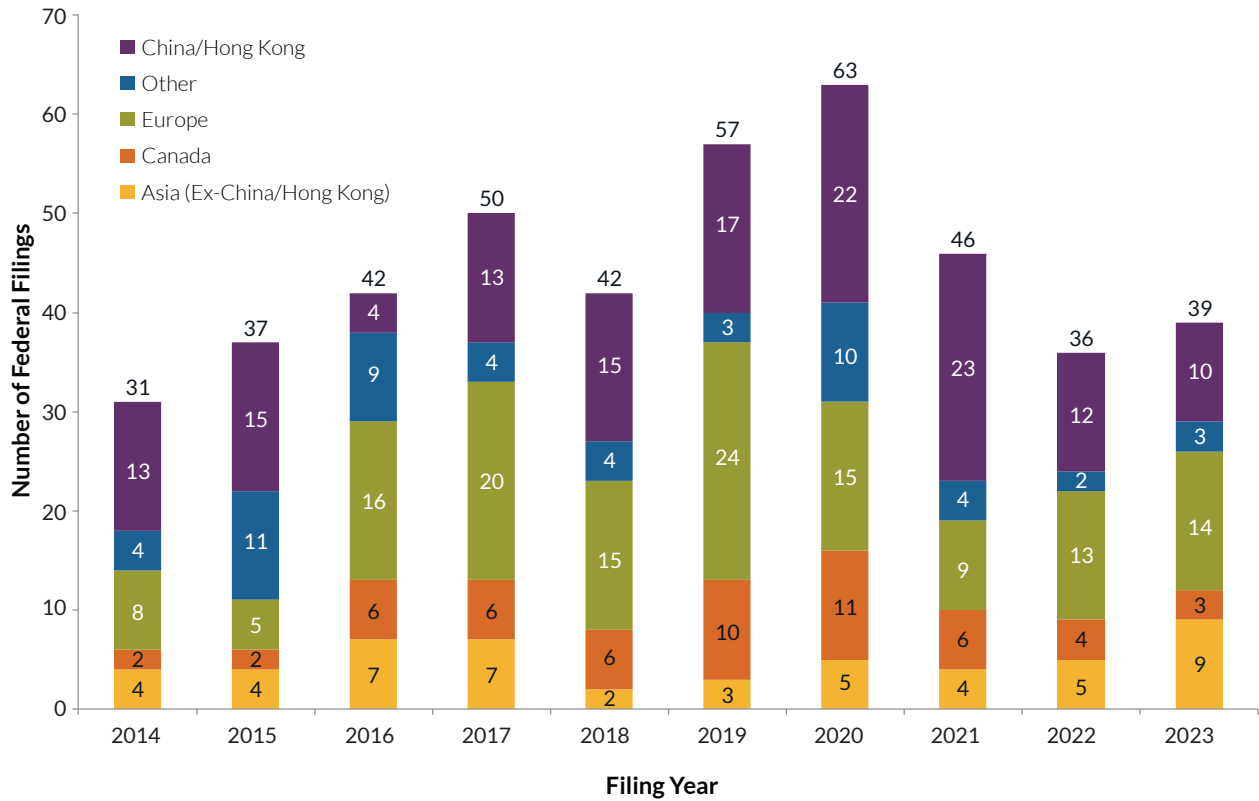


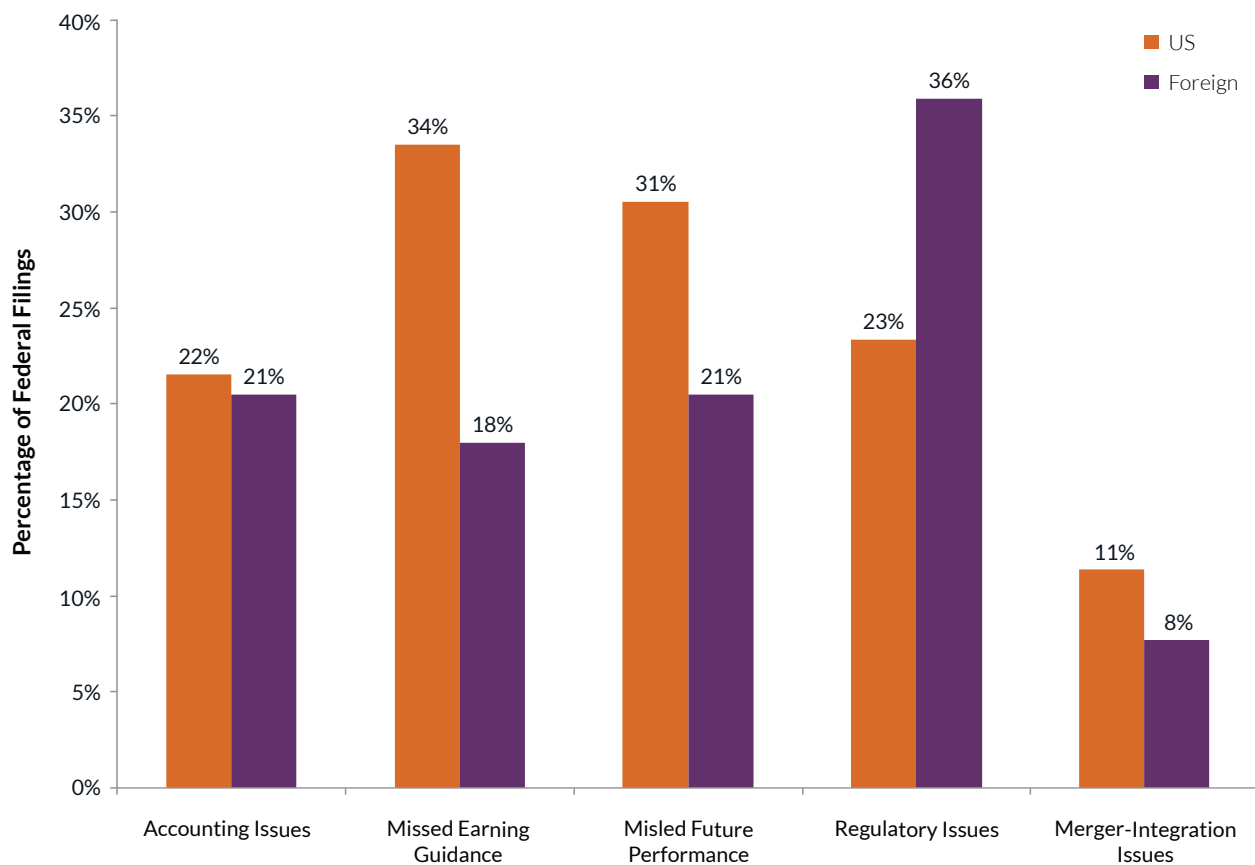
Figure 7. **Filings Against Foreign Companies**

Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, or Section 12 by Region  
 January 2014–December 2023



Note: Foreign issuer status determined based on location of principal executive offices.

Figure 8. **Allegations by US and Foreign Companies**  
 Shareholder Class Actions with Alleged Violations of Rule 10b-5, Section 11, and/or Section 12  
 January 2023–December 2023



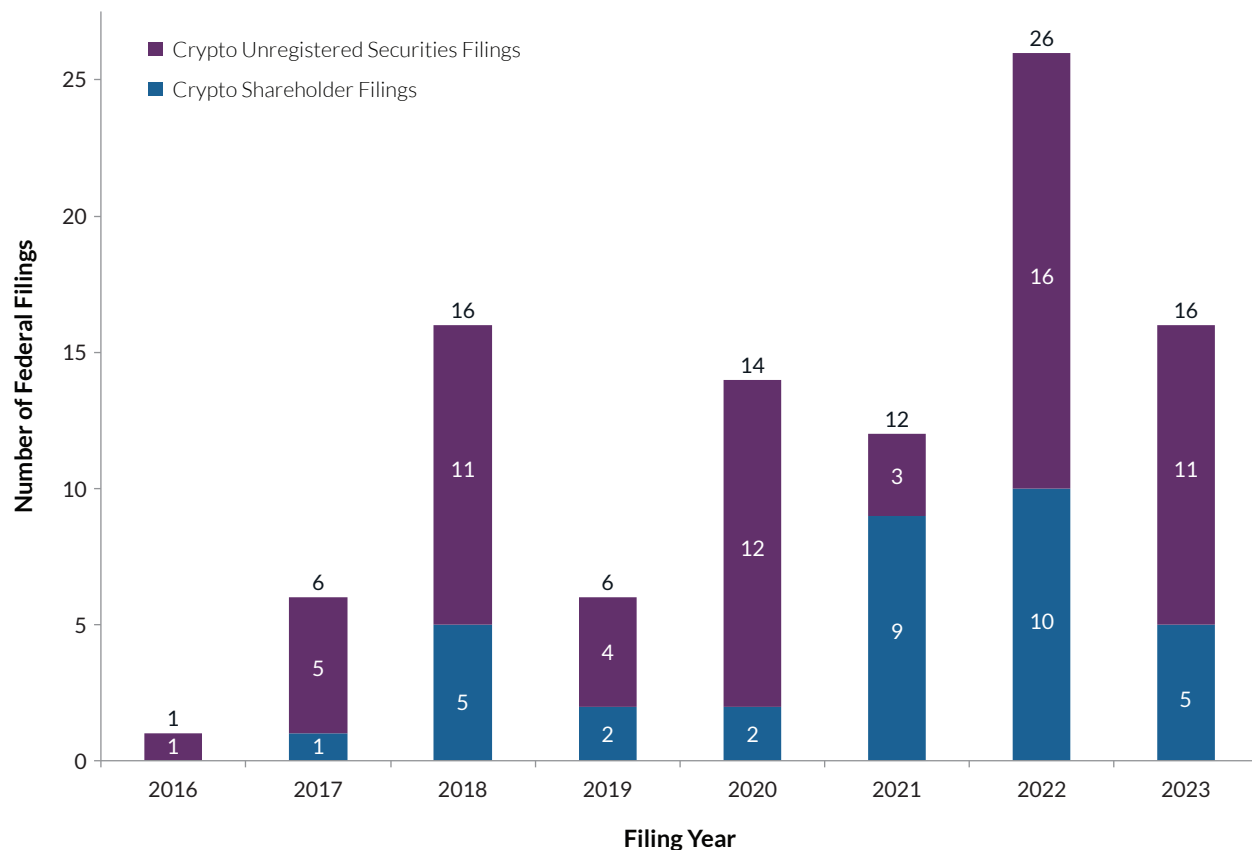
## EVENT-DRIVEN AND OTHER SPECIAL CASES

In this section, we summarize trends in filings in potential development areas that we have identified for securities class actions over the past five years (see Figures 9 and 10). Due to the small number of cases in some categories, the findings summarized here may be driven by one or two cases.

### Crypto Cases

Since 2020, there have been at least 10 crypto-related federal filings each year, comprised of cases involving unregistered securities and shareholder suits involving companies operating in or adjacent to the cryptocurrency sector. In 2023, there were 16 crypto-related federal filings, a 28% decline from the 26 filings observed in 2022.

Figure 9. **Number of Crypto Federal Filings**  
January 2016–December 2023



## 2023 Banking Turmoil

The first securities class action suit alleging problems in the banking industry was filed on 7 December 2022 against bank holding company Silvergate Capital Corporation, which provided a banking platform through its subsidiary, Silvergate Bank.<sup>7</sup> Silvergate Bank's voluntary liquidation on 8 March 2023 started a rapid chain of bank failures that intensified during the spring, which saw the collapse of Silicon Valley Bank, Signature Bank, and First Republic Bank,<sup>8</sup> and continued through 3 November 2023, when Citizens Bank of Sac City was closed by the Iowa Division of Banking.<sup>9</sup> Between December 2022 and October 2023, there were 12 securities class action suits filed against banking institutions. Of those, 11 cases were filed in 2023, representing nearly 30% of all filings in the finance sector. Four of the 11 cases were filed against Credit Suisse Group AG, after Credit Suisse, the second-largest bank in Switzerland, collapsed in March 2023 and was bought by rival UBS Group AG.



## Environment

In recent years, there has been an increased focus by governments and regulators on issues related to the environment, fossil fuel emissions, quality of drinking water, and climate change. During the past five years, there have been 20 environment-related securities class action suits filed. Eight of these cases were filed in 2023, quadruple the number from the two cases filed in 2022. Among the cases filed in 2023 include a suit against Hawaiian Electric Industries, Inc. in connection with wildfires in Hawaii, two cases related to train derailments with severe environmental consequences against Norfolk Southern Corporation, and three cases involving telecommunication companies AT&T, Verizon Communications, and Lumen Technologies for ownership of thousands of miles of lead-covered cables.

## Cannabis

In 2019, there were 13 securities class action suits filed against defendants in the cannabis industry. The number of filings has declined in subsequent years, with only one suit filed per year in each of 2022 and 2023.

## Money Laundering

In each of 2019 and 2020, three cases were filed with claims related to money laundering. In 2021, there were no such cases filed, while in 2022 and 2023, only one such suit was filed in each year.

## Cybersecurity and Customer Privacy Breach

Since 2019, there have been at least three securities class action suits filed each year related to a cybersecurity and/or customer privacy breach. While there were seven such filings in 2021, there were only three filings in 2023.

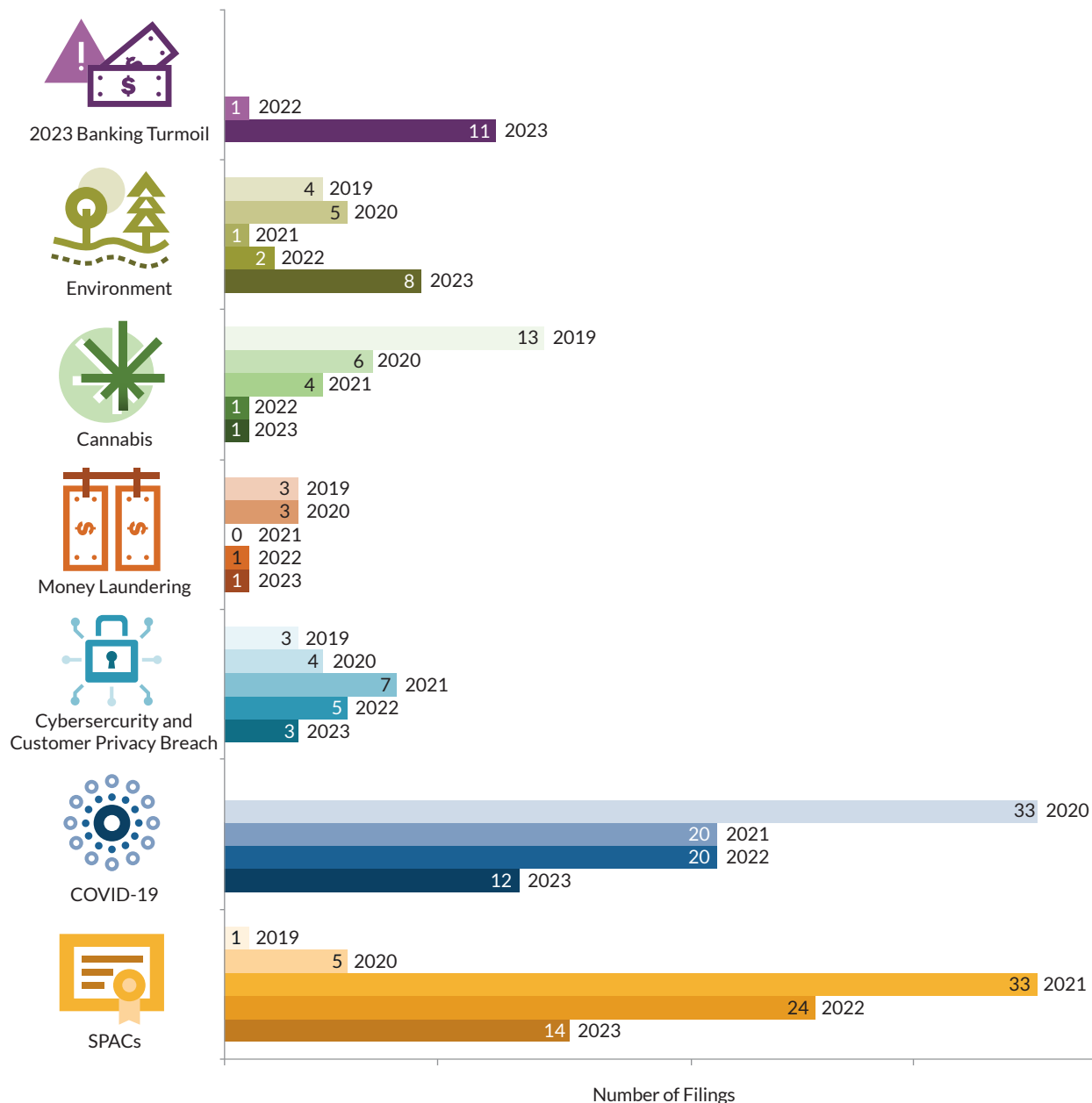
## COVID-19

Since March 2020, there have been 85 securities class actions filed with claims related to the COVID-19 pandemic. Of these, 33 cases were filed in 2020. In 2021 and 2022, the number of suits declined to 20 each year, while in 2023, there were only 12 such filings.

## SPAC

Filings related to special purpose acquisition companies (SPACs) peaked in 2021 with 31 securities class action suits filed that year. Since then, new federal filings related to SPACs have declined each year to 24 in 2022 and 14 in 2023.

Figure 10. Event-Driven and Other Special Cases by Filing Year  
January 2019–December 2023



## TRENDS IN RESOLUTIONS

In 2023, the number of resolved cases declined by 15% to 190 from 223 in 2022, continuing a six-year decline in resolutions seen since 2018 and marking the lowest recorded level of resolutions in the last 10 years. Of these resolved cases, 90 were settlements and 100 were dismissals.<sup>10</sup> While resolutions declined across all categories of cases, more than half of this decline was due to

a reduction in the number of settled standard cases, which had a record-setting year in 2022. The number of merger-objection cases resolved declined to nine in 2023, consistent with the reduced number of filings of such cases in recent years. See Figure 11.

Since 2015, more cases filed have been dismissed than settled. This is consistent with historical trends, which indicate that dismissals tend to occur earlier in the litigation cycle and settlements occur later (see Figure 12). For cases filed in 2023, 5% of cases have been dismissed while 95% remain pending as of December 2023.

For cases filed and resolved over the past 20 years, over two-thirds were resolved within three years of the filing of the first complaint, while 16% of cases take longer than four years to resolve (see Figure 13). The median time to resolution is 2.1 years.

Figure 11. **Number of Resolved Cases: Dismissed or Settled**  
January 2014–December 2023

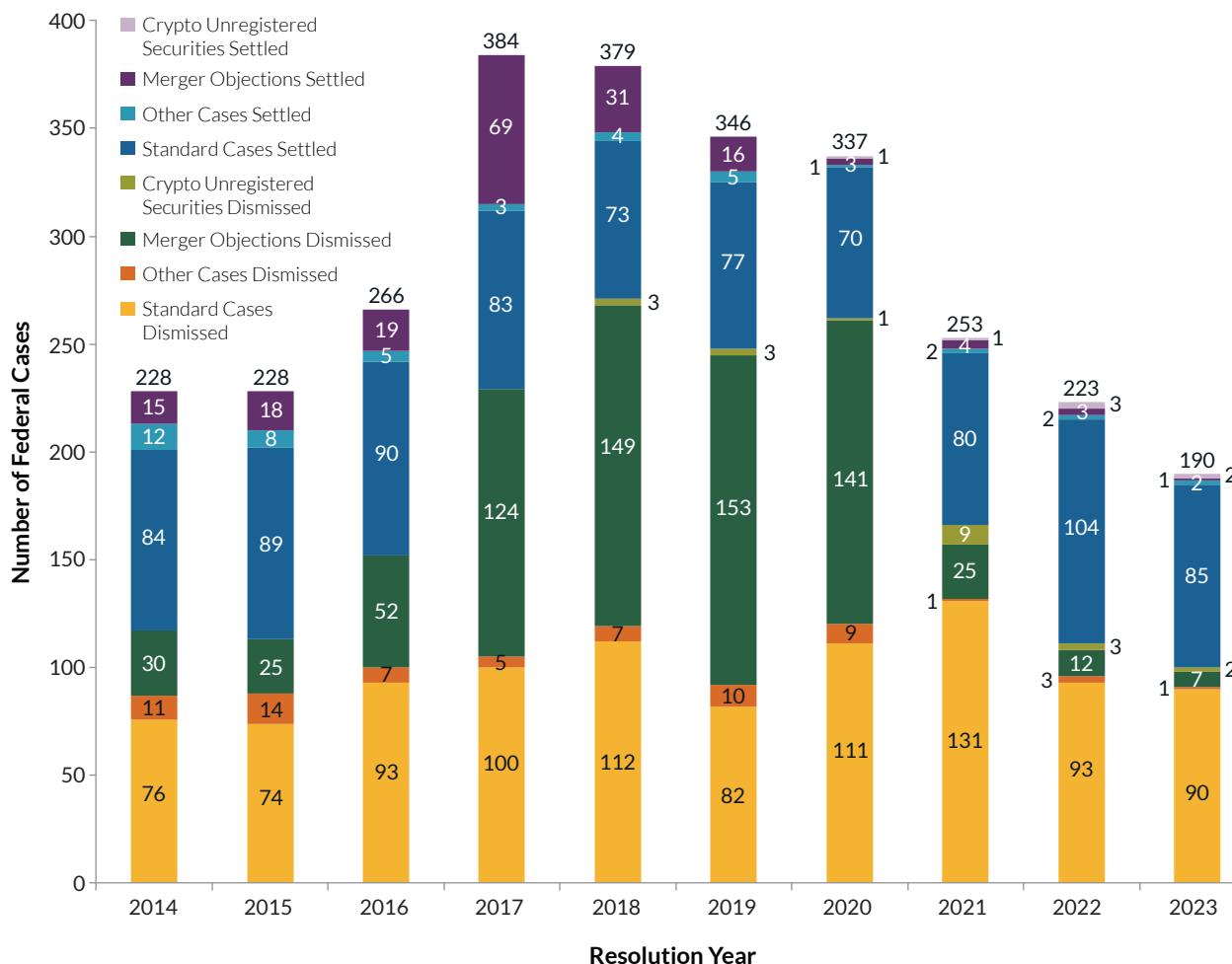
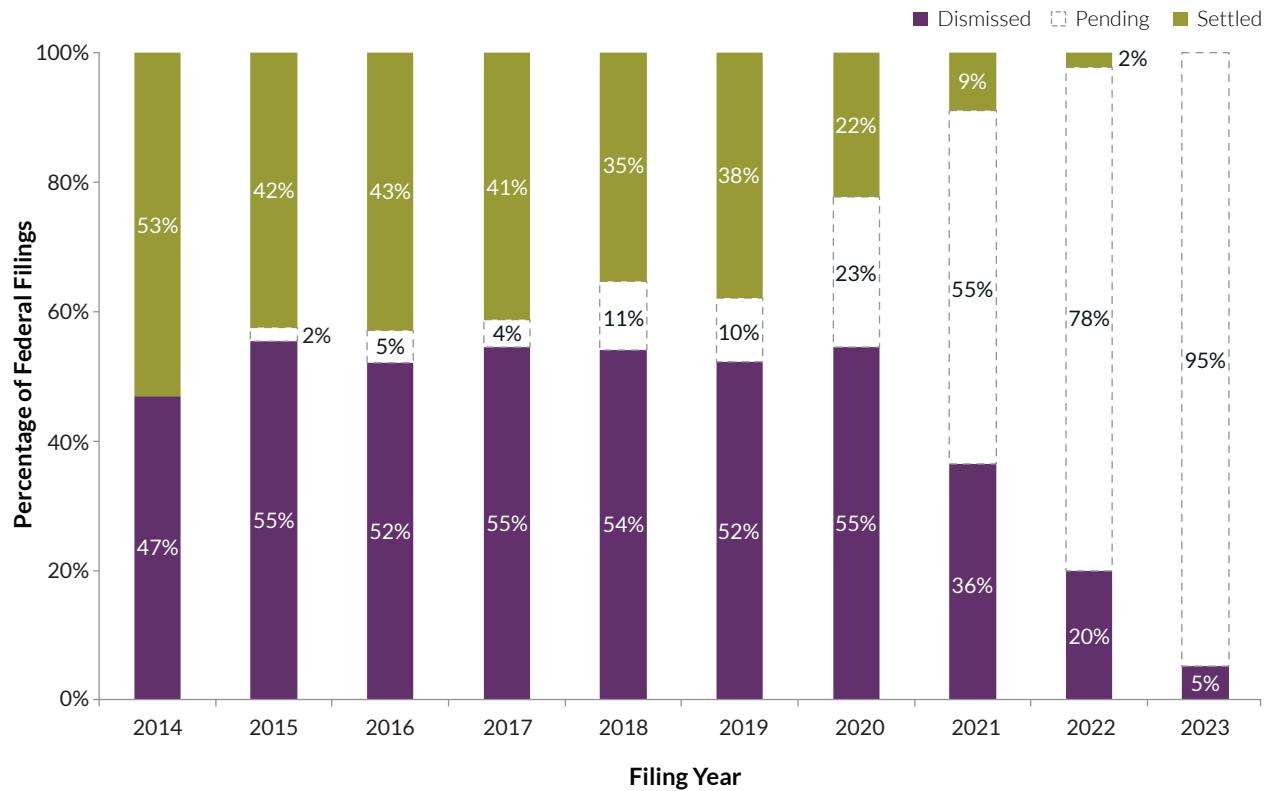


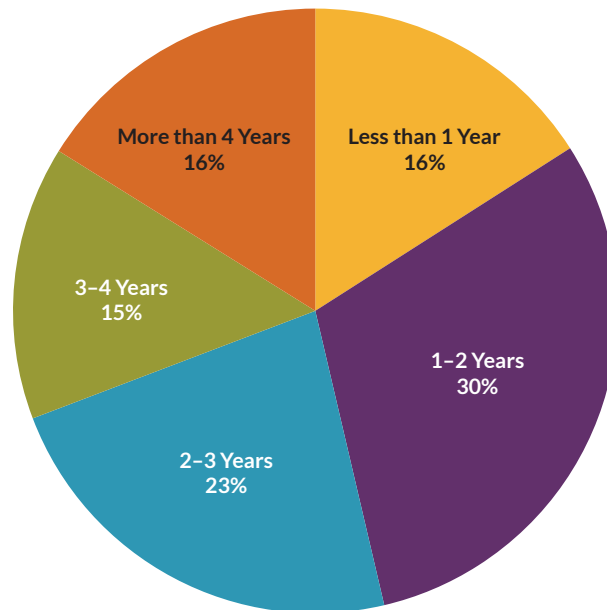
Figure 12. **Status of Cases as Percentage of Federal Filings by Filing Year**  
 Excludes Merger Objections, Crypto Unregistered Securities, and Verdicts  
 January 2014–December 2023



Note: Dismissals may include dismissals without prejudice and dismissals under appeal. Component values may not add to 100% due to rounding.

The number of resolved cases decreased by 15% to 190 from 223 in 2022, continuing a six-year decline in resolutions seen since 2018 and marking the lowest recorded level of resolutions in the last 10 years.

Figure 13. **Time from First Complaint Filing to Resolution**  
 Excluding Merger Objections and Crypto Unregistered Securities  
 Cases Filed January 2004–December 2019 and Resolved January 2004–December 2023



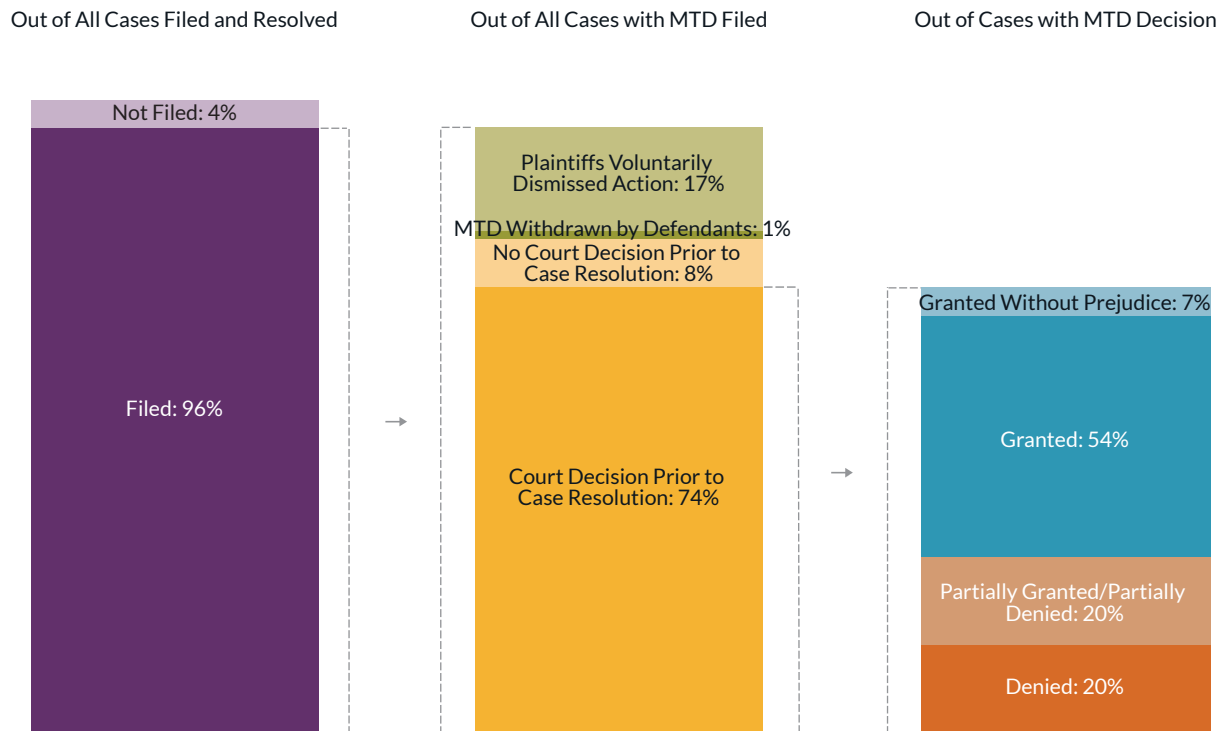
## ANALYSIS OF MOTIONS

NERA's federal securities class action database tracks filing and resolution activity as well as decisions on motions to dismiss, motions for class certification, and the status of any motion as of the resolution date. For this analysis, we include securities class actions that were filed and resolved over the 2014–2023 period in which purchasers of common stock are part of the class and in which a violation of Rule 10b-5, Section 11, and/or Section 12 is alleged.

### Motion to Dismiss

A motion to dismiss was filed in 96% of the securities class action suits filed and resolved. A decision was reached in 74% of these cases, while 17% were voluntarily dismissed by plaintiffs, 8% settled before a court decision was reached, and 1% of motions were withdrawn by defendants. Among the cases in which a decision was reached, 60% of motions were granted (with or without prejudice) while 40% were denied either in part or in full. See Figure 14.

Figure 14. **Filing and Resolutions of Motions to Dismiss**  
 Cases Filed and Resolved January 2014–December 2023



## Motion for Class Certification

A motion for class certification was filed in only 18% of the securities class action suits filed and resolved, as most cases are either dismissed or settled before the class certification stage is reached. A decision was reached in 60% of the cases in which a motion for class certification was filed, while nearly all remaining 40% of cases were resolved with a settlement. Among the cases in which a decision was reached, the motion for class certification was granted (with or without prejudice) in 86% of cases. See Figure 15.

Approximately 64% of decisions on motions for class certification occur within three years of the filing of the first complaint, with nearly all decisions occurring within five years (see Figure 16). The median time is about 2.7 years.

Figure 15. Filing and Resolutions of Motions for Class Certification  
Cases Filed and Resolved January 2014–December 2023

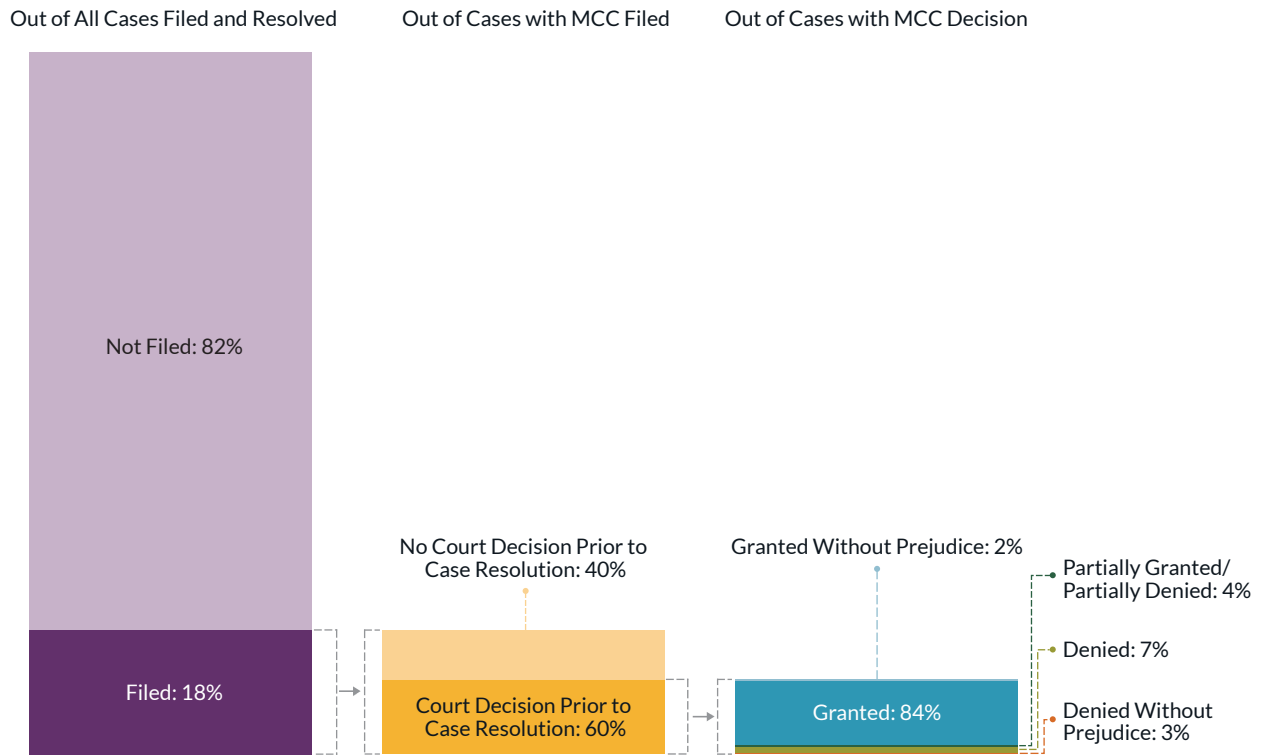
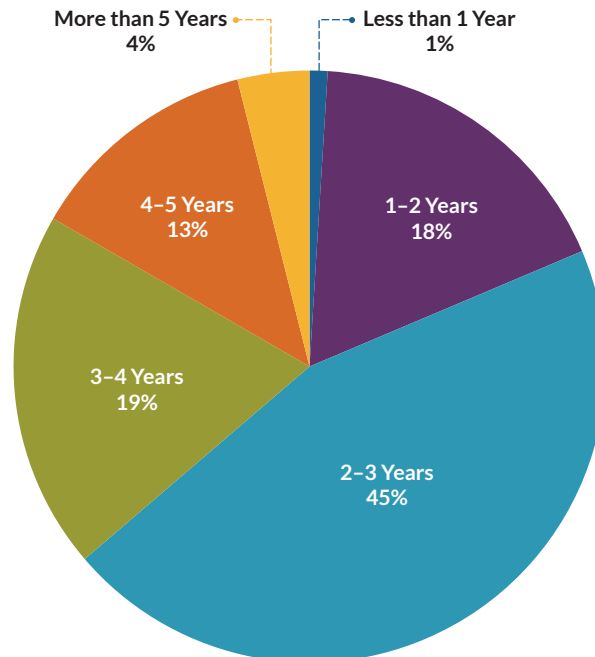


Figure 16. Time from First Complaint Filing to Class Certification Decision  
Cases Filed and Resolved January 2014–December 2023

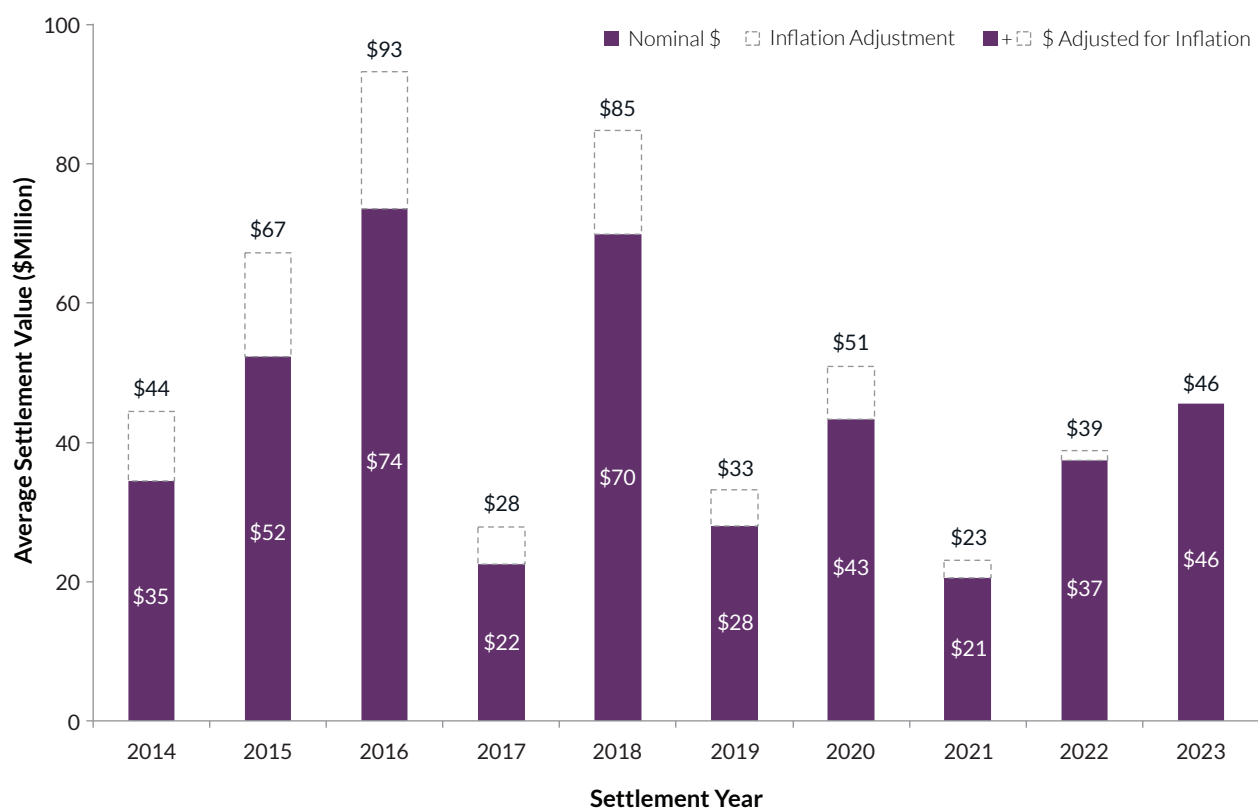


## TRENDS IN SETTLEMENT VALUES<sup>11</sup>

Aggregate settlements for 2023 totaled \$3.9 billion, which marks a slight decline from the inflation-adjusted total of \$4.2 billion from 2022.<sup>12</sup> In 2023, the average settlement value was approximately \$46 million, a 17% increase over the 2022 inflation-adjusted average settlement value of \$39 million and the second consecutive year that this value has increased (see Figure 17). The increase in the average settlement value is largely driven by a \$1 billion settlement by Wells Fargo & Company.<sup>13</sup>

Figure 17. **Average Settlement Value**

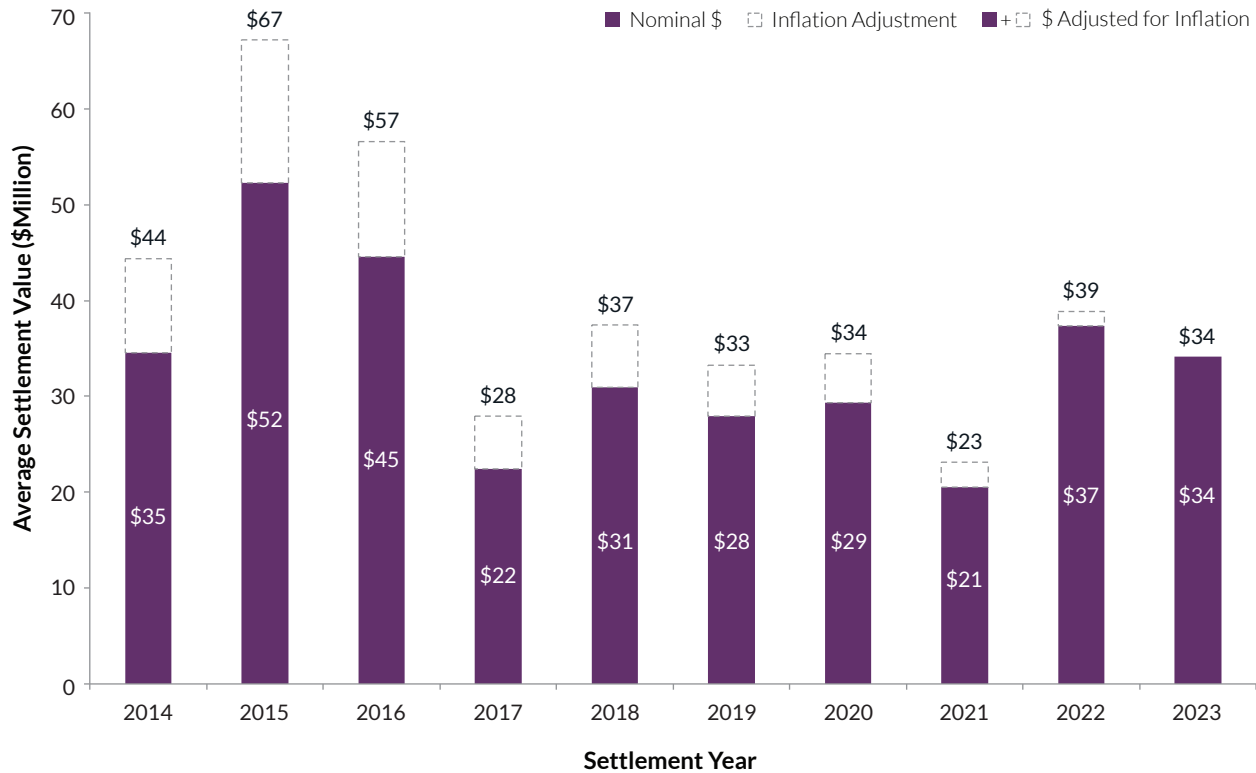
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class  
January 2014–December 2023



When excluding settlements of \$1 billion or higher, the average settlement value was \$34 million, a decrease of 12% from the \$39 million inflation-adjusted amount in 2022 (see Figure 18). The median settlement value was \$14.4 million, which is a slight increase from the \$13.5 million inflation-adjusted value seen in 2022 (see Figure 19). Aside from a decrease in the percentage of settlements between \$10 and \$19.9 million and a roughly similar increase in the percentage of settlements between \$20 to \$49.9 million in 2023, the distribution of settlement values in 2023 looks similar to that of 2022 (see Figure 20).



Figure 18. **Average Settlement Value**  
 Excludes Settlements of \$1 Billion or Higher, Merger Objections, Crypto Unregistered Securities,  
 and Settlements for \$0 to the Class  
 January 2014–December 2023



When excluding settlements of \$1 billion or higher, the average settlement value was \$34 million in 2023, a decrease of 12% from the \$39 million inflation-adjusted amount in 2022.

Figure 19. **Median Settlement Value**

Excludes Settlements of \$1 Billion or Higher, Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class  
January 2014–December 2023

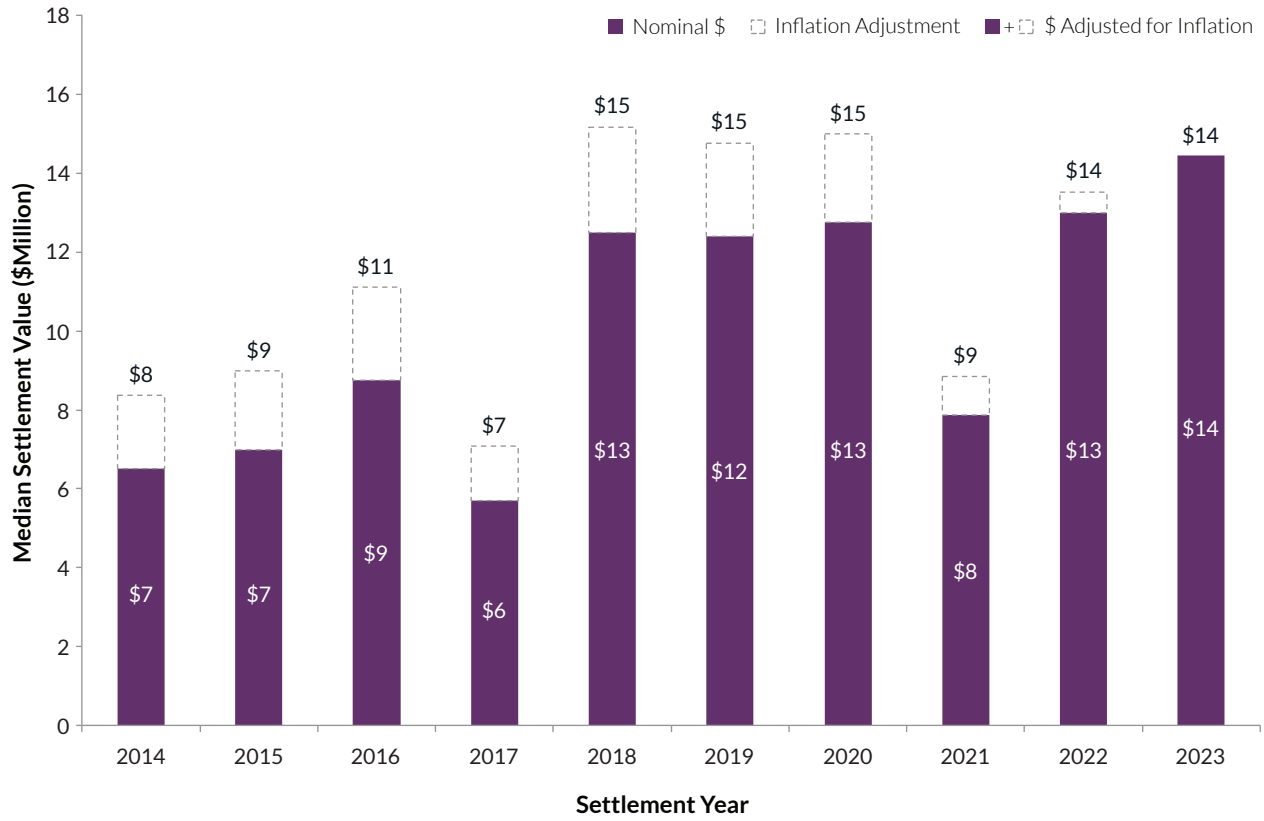
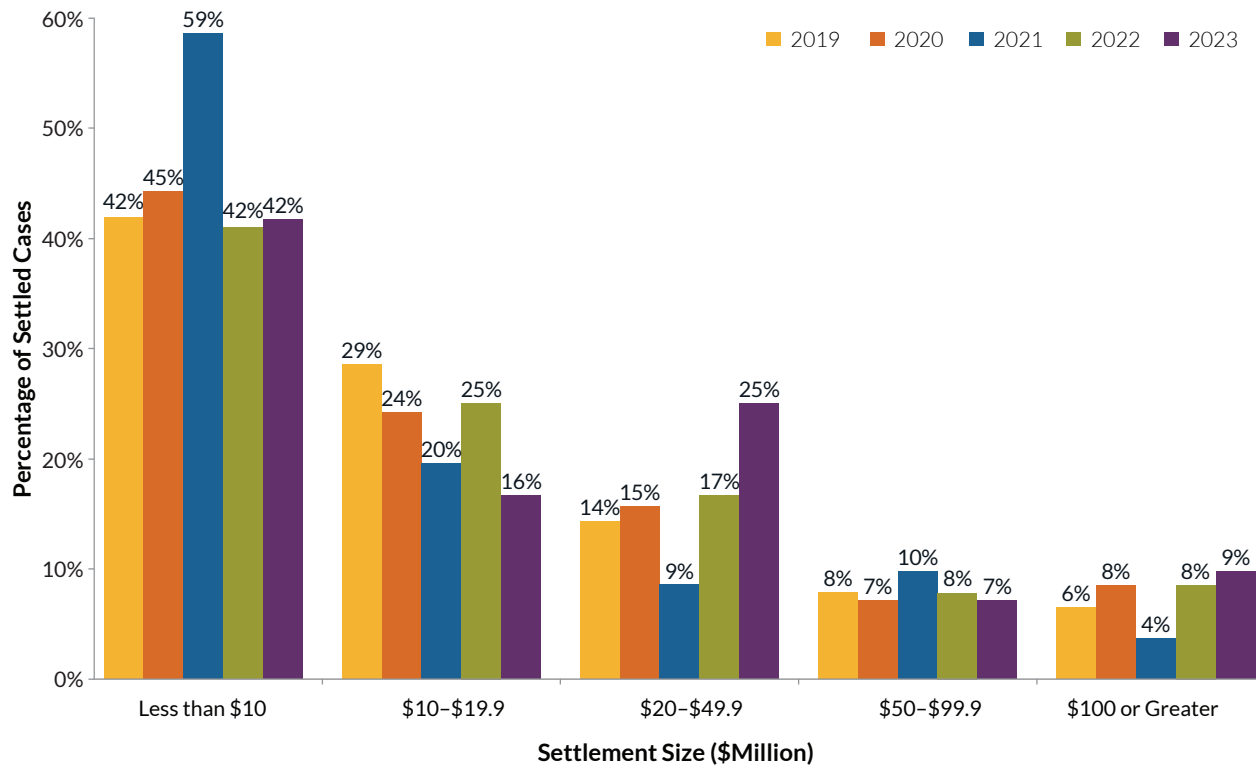


Figure 20. **Distribution of Settlement Values**

Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class  
January 2019–December 2023



Aggregate settlements for 2023 totaled \$3.9 billion, which marks a slight drop relative to the inflation-adjusted total of \$4.2 billion from 2022.

## TOP SETTLEMENTS

The 10 largest settlements in 2023 ranged from \$90 million to \$1 billion and together accounted for over 66% of the \$3.9 billion aggregate settlement amount reached in 2023. Wells Fargo & Company appears twice on this list, taking the top spot in a \$1 billion settlement in a case involving misrepresentations regarding its progress in overhauling its internal controls<sup>14</sup> as well as the third-highest spot in a \$300 million settlement in a matter involving allegations of misconduct in its auto insurance practices.<sup>15</sup> The Second, Seventh, and Ninth circuits accounted for nine of the top 10 settlements.

Table 1. **Top 10 2023 Securities Class Action Settlements**

Rank	Defendant	Filing Date	Settlement Date	Total Settlement Value (\$Million)	Plaintiffs' Attorneys' Fees and Expenses Value (\$Million)	Circuit	Economic Sector
1	Wells Fargo & Company (2020) (S.D.N.Y.)	11 Jun 2020	8 Sep 2023	\$1,000.0	\$181.1	2nd	Finance
2	The Kraft Heinz Company (N.D. Ill.)	24 Feb 2019	12 Sep 2023	\$450.0	\$92.7	7th	Consumer Non-Durables
3	Wells Fargo & Company (2018)	14 Feb 2019	17 Aug 2023	\$300.0	\$77.0	9th	Finance
4	Exelon Corporation (2019)	16 Dec 2019	7 Sep 2023	\$173.0	\$45.3	7th	Utilities
5	McKesson Corporation	25 Oct 2018	2 Jun 2023	\$141.0	\$36.3	9th	Distribution Services
6	Alexion Pharmaceuticals, Inc. (D. Conn.)	17 Nov 2016	20 Dec 2023	\$125.0	\$32.8	2nd	Health Technology
7	Cardinal Health, Inc. (2019)	1 Aug 2019	11 Sep 2023	\$109.0	\$33.4	6th	Distribution Services
8	Micro Focus International plc (S.D.N.Y.) (SEC 11)	28 Mar 2018	27 Jul 2023	\$107.5	\$36.7	2nd	Technology Services
9	Grupo Televisa S.A.B.	5 Mar 2018	8 Aug 2023	\$95.0	\$29.6	2nd	Communications
10	The Allstate Corporation	10 Nov 2016	19 Dec 2023	\$90.0	\$27.1	7th	Finance
<b>Total</b>				<b>\$2,590.0</b>	<b>\$591.9</b>		

Table 2 lists the 10 largest federal securities class action settlements through 31 December 2023. Since the Valeant Pharmaceuticals partial settlement of \$1.2 billion in 2020, this list has remained unchanged, with settlements ranging from \$1.1 to \$7.2 billion.

Table 2. Top 10 Federal Securities Class Action Settlements (As of 31 December 2023)

Rank	Defendant	Filing Date	Settlement Year(s)	Total Settlement Value (\$Million)	Financial Institutions Value (\$Million)	Accounting Firms Value (\$Million)	Plaintiffs' Attorney's Fees and Expenses Value (\$Million)	Circuit	Economic Sector
1	ENRON Corp.	22 Oct 2001	2003–2010	\$7,242	\$6,903	\$73	\$798	5th	Industrial Services
2	WorldCom, Inc.	30 Apr 2002	2004–2005	\$6,196	\$6,004	\$103	\$530	2nd	Communications
3	Cendant Corp.	16 Apr 1998	2000	\$3,692	\$342	\$467	\$324	3rd	Finance
4	Tyco International, Ltd.	23 Aug 2002	2007	\$3,200	No codefendant	\$225	\$493	1st	Producer Manufacturing
5	Petroleo Brasileiro S.A.-Petrobras	8 Dec 2014	2018	\$3,000	\$0	\$50	\$205	2nd	Energy Minerals
6	AOL Time Warner Inc.	18 July 2002	2006	\$2,650	No codefendant	\$100	\$151	2nd	Consumer Services
7	Bank of America Corp.	21 Jan 2009	2013	\$2,425	No codefendant	No codefendant	\$177	2nd	Finance
8	Household International, Inc.	19 Aug 2002	2006–2016	\$1,577	Dismissed	Dismissed	\$427	7th	Finance
9	Valeant Pharmaceuticals International, Inc.*	22 Oct 2015	2020	\$1,210	\$0	\$0	\$160	3rd	Health Technology
10	Nortel Networks	2 Mar 2001	2006	\$1,143	No codefendant	\$0	\$94	2nd	Electronic Technology
<b>Total</b>				<b>\$32,334</b>	<b>\$13,249</b>	<b>\$1,017</b>	<b>\$3,358</b>		

\* Denotes a partial settlement, which is included here due to its sizeable amount. Note that this case is not included in any of our resolution or settlement statistics.

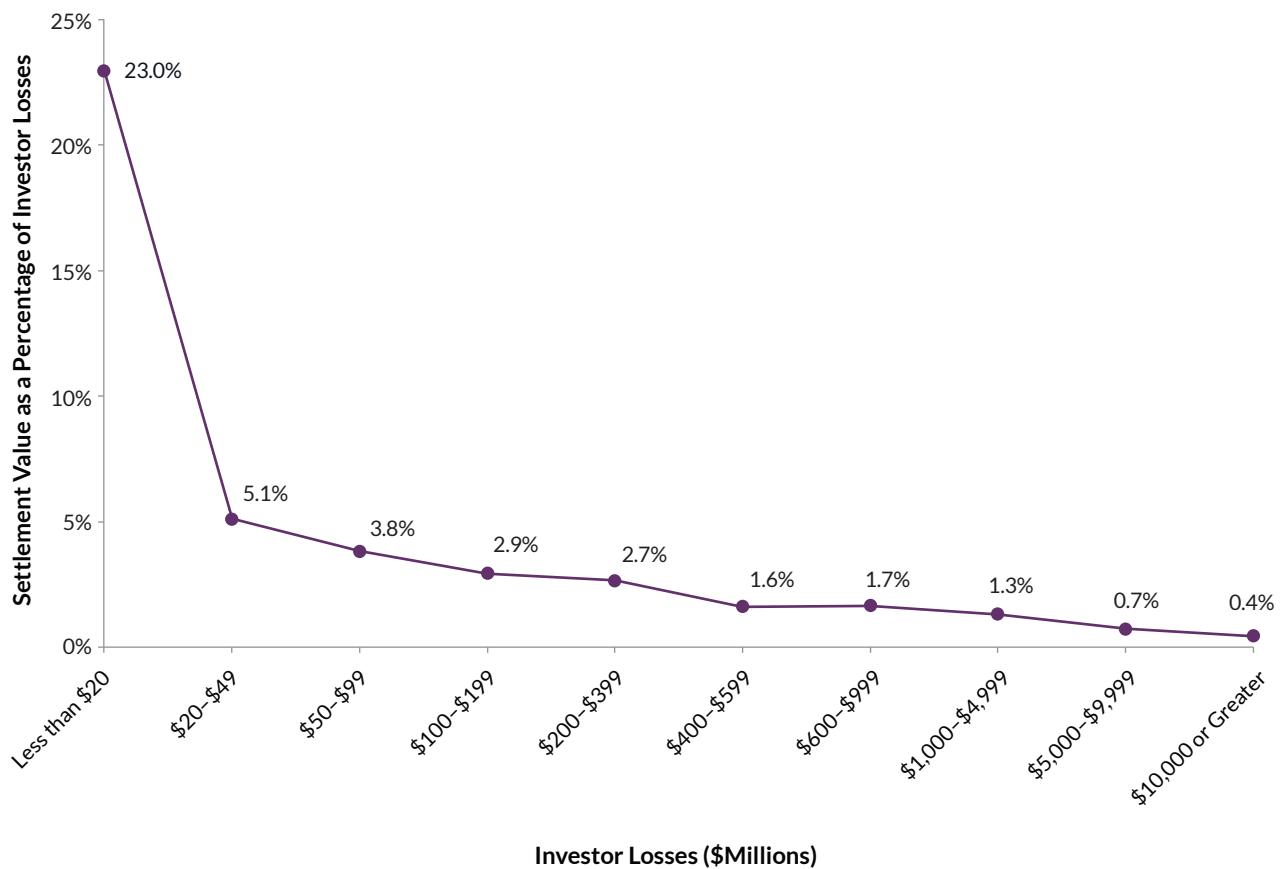
## NERA-DEFINED INVESTOR LOSSES

To estimate the potential aggregate loss to investors as a result of investing in the defendant's stock during the alleged class period, NERA has developed a proprietary variable, NERA-Defined Investor Losses, using publicly available data. The NERA-Defined Investor Loss measure is constructed assuming investors had invested in stocks during the class period whose performance was comparable to that of the S&P 500 Index. Over the years, NERA has reviewed and examined more than 2,000 settlements and found, of the variables analyzed, this proprietary variable to be the most powerful predictor of settlement amount.<sup>16</sup>

A statistical review reveals that while settlement values and NERA-Defined Investor Losses are highly correlated, the relationship is not linear. The ratio is higher for cases with lower NERA-Defined Investor Losses than for cases with higher Investor Losses. For instance, in cases with less than \$20 million in Investor Losses, the median settlement value comprises 23% of Investor Losses, while in cases with more than \$50 million in Investor Losses, the median settlement value is less than 4% of Investor Losses. See Figure 21.

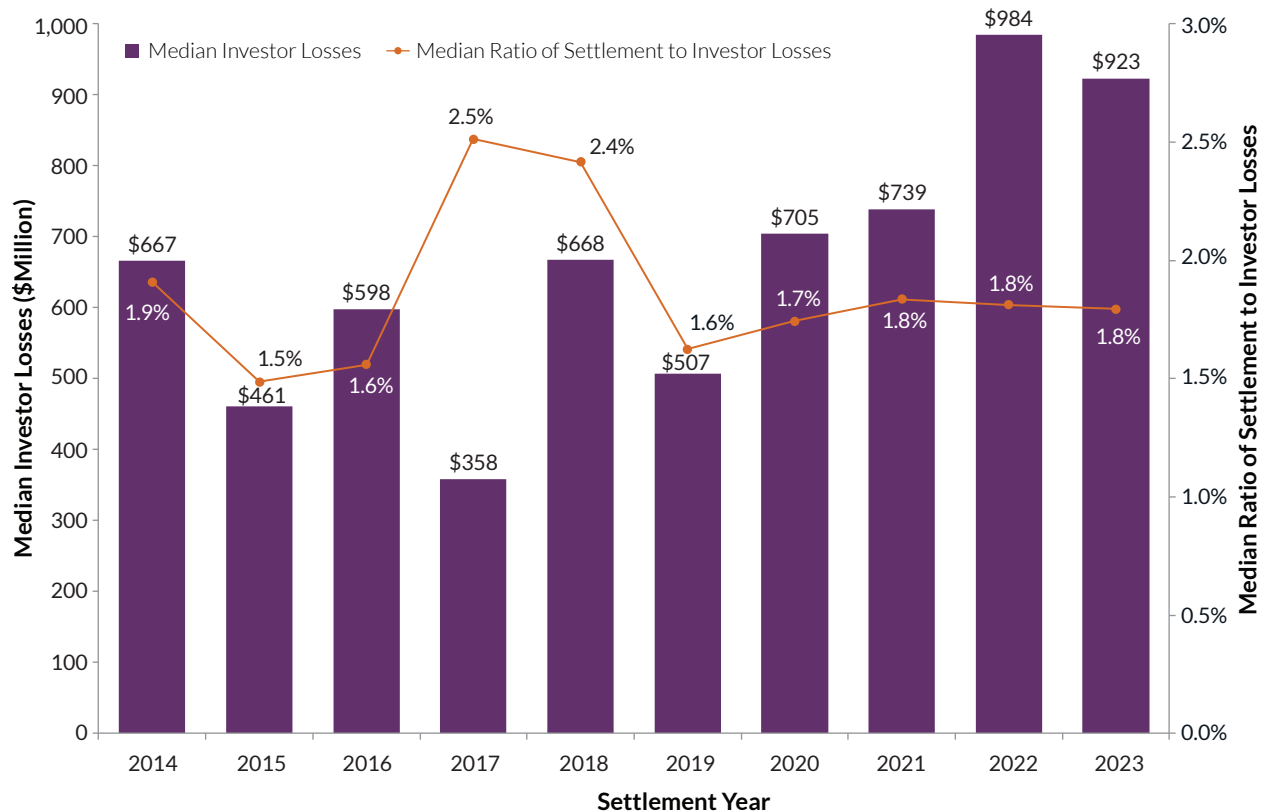
Since 2014, annual median Investor Losses have ranged from a low of \$358 million to a high of \$984 million. For cases settled in 2023, the median Investor Losses were \$923 million, a 6% decline from 2022 and the second highest recorded value during the 2014–2023 period. Since 2021, the median ratio of settlement amount to Investor Losses has remained stable at 1.8%. See Figure 22.

Figure 21. Median Settlement Value as a Percentage of NERA-Defined Investor Losses  
 By Level of Investor Losses  
 Cases Settled January 2014–December 2023



The median Investor Losses were \$923 million, a 6% decline relative to 2022 and the second highest recorded value during the 2014–2023 period.

Figure 22. Median NERA-Defined Investor Losses and Median Ratio of Settlement to Investor Losses by Settlement Year  
January 2014–December 2023



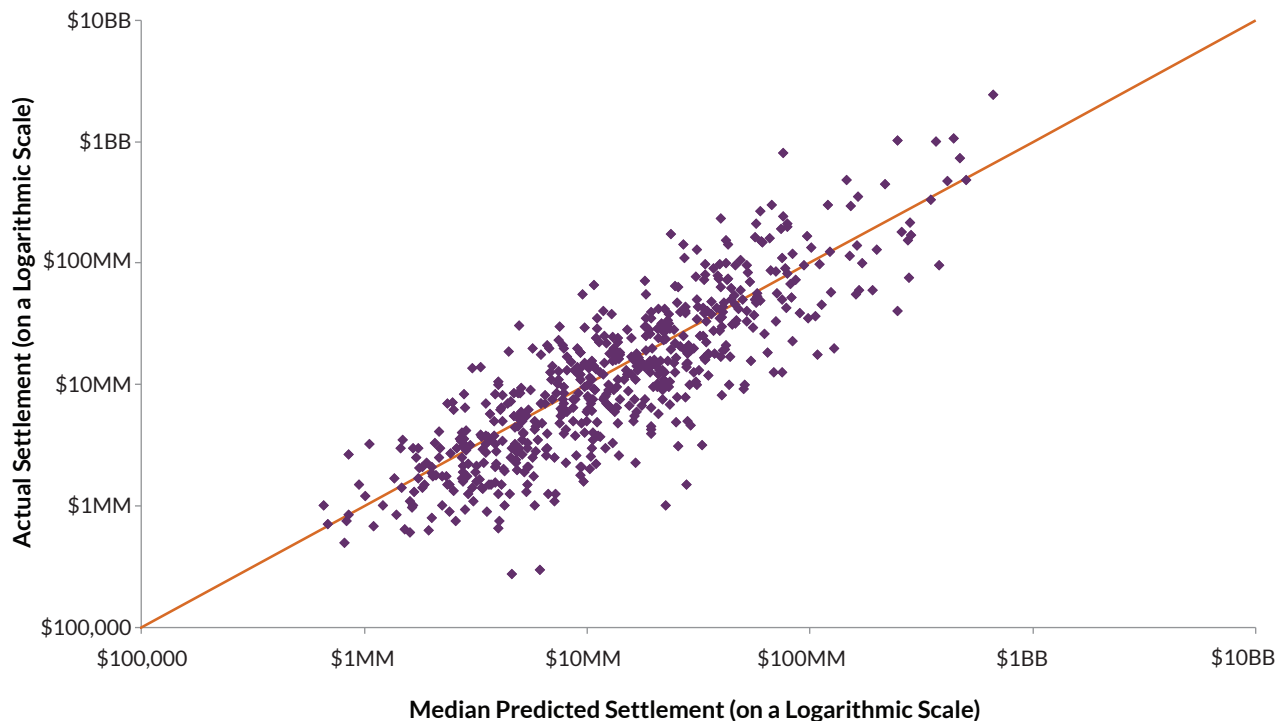
NERA has identified the following key factors as driving settlement amounts:

- NERA-Defined Investor Losses;
- The market capitalization of the issuer immediately after the end of the class period;
- The types of securities (in addition to common stock) alleged to have been affected by the fraud;
- Variables that serve as a proxy for the merit of plaintiffs' allegations (e.g., whether the company has already been sanctioned by a government or regulatory agency or paid a fine in connection with the allegations);
- The stage of litigation at the time of settlement; and
- Whether an institution or public pension fund is named lead plaintiff (see Figure 23).

Among cases settled between January 2012 and December 2023, these factors in NERA's statistical model can explain over 70% of the variation observed in actual settlements.



Figure 23. **Predicted vs. Actual Settlements**  
 Investor Losses Using S&P 500 Index  
 Cases Settled January 2012–December 2023



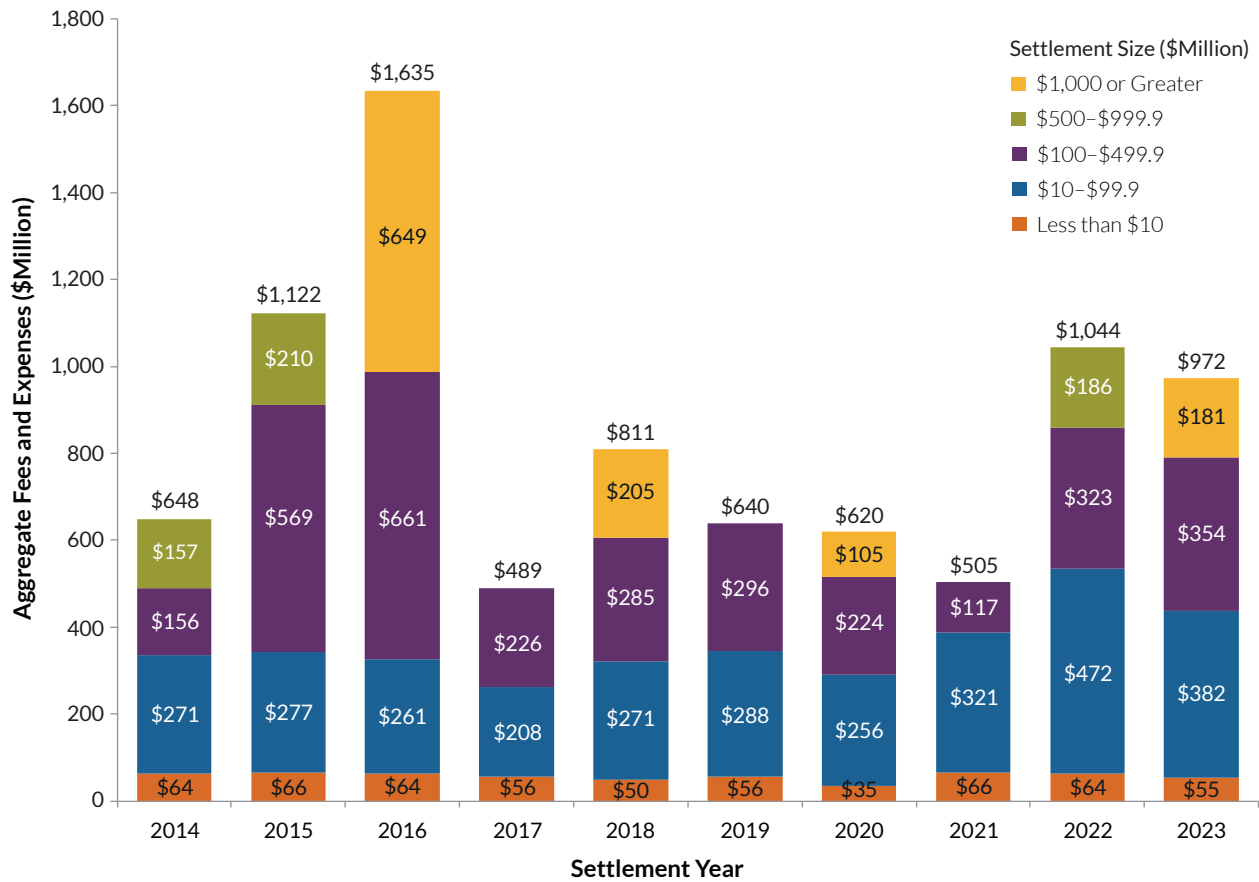
## TRENDS IN PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES

Over the past 10 years, annual aggregate plaintiffs' attorneys' fees and expenses have ranged from a low of \$489 million in 2017 to a high of \$1.6 billion in 2016. In 2023, aggregate plaintiffs' attorneys' fees and expenses totaled \$972 million, a slight decline from the \$1.0 billion seen in 2022 (see Figure 24). Plaintiffs' attorneys' fees and expenses comprised roughly 24.9% of the \$3.9 billion aggregate settlement value in 2023.

A historical analysis of plaintiffs' attorneys' fees and expenses for cases that have settled since the passage of the PSLRA in 1996 reveals that fees and expenses as a percentage of the settlement amount decline as the settlement size increases. For instance, for cases settled during the 2014–2023 period, median percent fees and expenses ranged from 36.1% in settlements of \$5 million or lower to 18.6% in settlements of \$1 billion or higher.

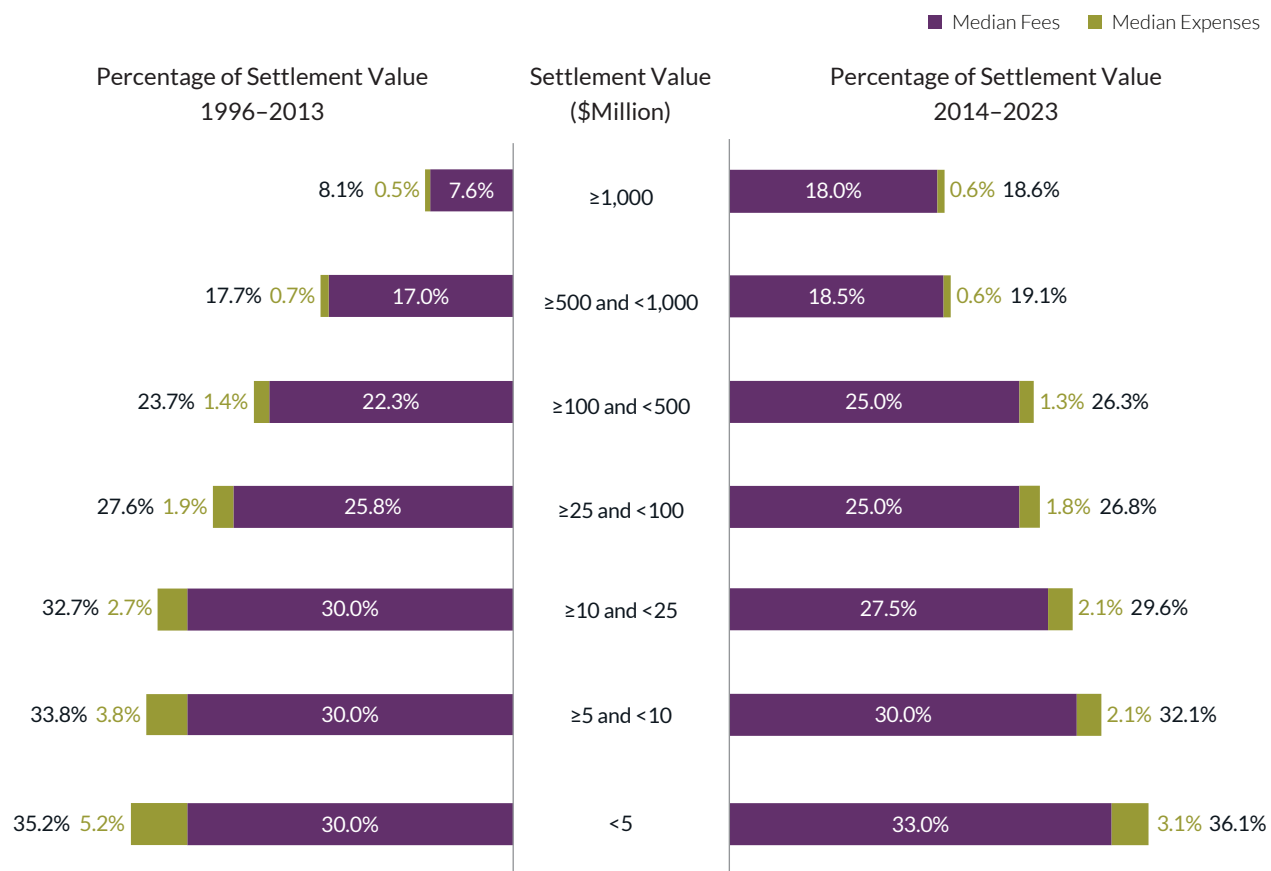
In the past 10 years, median percent attorneys' fees have increased for settlements under \$5 million and for settlements over \$500 million relative to the 1996–2013 period. This increase is more pronounced for settlements of \$1 billion or higher, although this is partly due to this category having only five cases in the post-2013 period (see Figure 25).

Figure 24. **Aggregate Plaintiffs’ Attorneys’ Fees and Expenses by Settlement Size**  
January 2014–December 2023



Plaintiffs’ attorneys’ fees and expenses comprised roughly 24.9% of the \$3.9 billion aggregate settlement value in 2023.

Figure 25. Median of Plaintiffs' Attorneys' Fees and Expenses by Size of Settlement  
Excludes Merger Objections, Crypto Unregistered Securities, and Settlements for \$0 to the Class



Note: Component values may not add to total value due to rounding.

## CONCLUSION

In 2023, federal filings increased by 11% from 206 in 2022 to 228 in 2023, ending a four-year period of annual declines in filings from 2019 to 2022. Of the 228 cases filed in 2023, 206 were standard cases with alleged violations of Rule 10b-5, Section 11, and/or Section 12, and 18.9% of standard cases were against foreign companies. Filings against companies in the information technology and technology services, health technology and services, and the finance sectors accounted for 59% of non-merger objections, non-crypto unregistered securities filings.

The number of resolved cases declined by 15% from 223 in 2022 to 190 in 2023. There were 90 settlements and 100 dismissals, marking the lowest level of both settlements and dismissals in the last 10 years. Excluding the presence of settlements of \$1 billion or higher, the average settlement value for 2023 was \$34 million and the median settlement value was \$14 million. Aggregate settlements totaled \$3.9 billion in 2023, with aggregate plaintiffs' attorneys' fees and expenses accounting for \$972 million, or 24.9%, of the 2023 aggregate settlement value. Over the last 10 years, the median plaintiffs' attorneys' fees and expenses as a percentage of settlement value has ranged from 18.6% for settlements of \$1 billion or higher to 36.1% for settlements of \$5 million or lower.

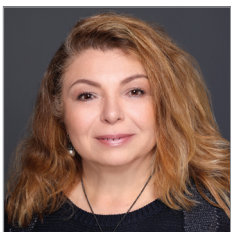
## NOTES

- 1 This edition of NERA's report on "Recent Trends in Securities Class Action Litigation" expands on previous work by our colleagues Lucy P. Allen, Dr. Vinita Juneja, Dr. Denise Neumann Martin, Dr. Jordan Milev, Robert Patton, Dr. Stephanie Planchich, Janeen McIntosh, and others. The authors thank Dr. David Tabak and Benjamin Seggerson for helpful comments on this edition. We thank Vlad Lee, Daniel Klotz, and other of NERA's securities and finance researchers for their valuable assistance. These individuals receive credit for improving this report; any errors and omissions are those of the authors. NERA's proprietary securities class action database and all analyses reflected in this report are limited to federal case filings and resolutions.
- 2 NERA tracks securities class actions that have been filed in federal courts. Most of these cases allege violations of federal securities laws; others allege violations of common law, including breach of fiduciary duty, as with some merger-objection cases; still others are filed in federal court under foreign or state law. If multiple actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. The first two actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect the consolidation. Therefore, case counts for a particular year may change over time. Different assumptions for consolidating filings would probably lead to counts that are similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings. Data for this report were collected from multiple sources, including Institutional Shareholder Services, Dow Jones Factiva, Bloomberg Finance, FactSet Research Systems, Nasdaq, Intercontinental Exchange, US Securities and Exchange Commission (SEC) filings, complaints, case dockets, and public press reports. IPO laddering cases are presented only in Figure 1.
- 3 Federal securities class actions that allege violations of Rule 10b-5, Section 11, and/or Section 12 have historically dominated federal securities class action dockets and have often been referred to as "standard" cases. In the analyses of this report, standard cases involve registered securities and do not include cases involving crypto unregistered securities, which will be considered as a separate category.
- 4 In this study, crypto cases consist of two mutually exclusive subgroups: (1) crypto shareholder class actions, which include a class of investors in common stock, American depository receipts/American depository shares (ADR/ADS), and/or other registered securities, along with crypto- or digital-currency-related allegations; and (2) crypto unregistered securities class actions, which do not have class investors in any registered securities that are traded on major exchanges (New York Stock Exchange, Nasdaq). We include crypto shareholder class actions in all our analyses that include standard cases. Crypto unregistered securities class actions are excluded from some analyses, which is noted in the titles of our figures.
- 5 Most securities class action complaints include multiple allegations. For this analysis, all allegations from the complaint are included and thus the total number of allegations exceeds the total number of filings.
- 6 In our analysis, a company is defined as a foreign company based on the location of its principal executive office.
- 7 Class Action Complaint for Violations of the Federal Securities Laws, *In re Silvergate Capital Corporation Securities Litigation*, 7 December 2023.
- 8 Madeleine Ngo, "A Timeline of How the Banking Crisis Has Unfolded," *The New York Times*, 1 May 2023, available at <https://www.nytimes.com/2023/05/01/business/banking-crisis-failure-timeline.html>.
- 9 "Iowa Trust & Savings Bank, Emmetsburg, Iowa, Assumes All of the Deposits of Citizens Bank, Sac City, Iowa," FDIC Press Release, 3 November 2023, available at <https://www.fdic.gov/news/press-releases/2023/pr23091.html>.
- 10 "Dismissed" is used here as shorthand for all class actions resolved without settlement; it includes cases in which a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, or an ultimately unsuccessful motion for class certification.
- 11 Unless otherwise noted, the analyses in this section exclude the 2020 partial settlement involving Valeant Pharmaceuticals.
- 12 For our analysis, NERA includes settlements that have had the first settlement-approval hearing. We do not include partial settlements or tentative settlements that have been announced by plaintiffs and/or defendants. As a result, although we include the 2020 Valeant Pharmaceuticals partial settlement in Table 2 due to its settlement size, this case is not included in any of our resolution, settlement, or attorney fee statistics.
- 13 While annual average settlement values can be a helpful statistic, these values may be affected by one or a few very high settlement amounts. Unlike averages, the median settlement value is unaffected by these very high outlier settlement amounts. To understand what more typical cases look like, we analyze the average and median settlement values for cases with a settlement amount under \$1 billion, thus excluding these outlier settlement amounts. For the analysis of settlement values, we limit our data to non-merger-objection and non-crypto unregistered securities cases with settlements of more than \$0 to the class.
- 14 Jon Hill and Jessica Corso, "Wells Fargo Inks \$1B Deal to End Investors' Compliance Suit," *Law360.com*, 16 May 2023, available at <https://www.law360.com/articles/1677976/>.
- 15 Lauren Berg, "Wells Fargo Investors Ink \$300M Deal in Auto Insurance Suit," *Law360.com*, 7 February 2023, available at <https://www.law360.com/articles/1573911/>.
- 16 NERA-Defined Investor Losses is only calculable for cases involving allegations of damages to common stock based on one or more corrective disclosures moving the stock price to its alleged true value. As a result, we have not calculated this metric for cases such as merger objections.

## RELATED EXPERTS



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*The opinions expressed herein do not necessarily represent the views of NERA or any other NERA consultant.*

## ABOUT NERA

Since 1961, NERA has provided unparalleled guidance on the most important market, legal, and regulatory questions of the day. Our work has shaped industries and policy around the world. Our field-leading experts and deep experience allows us to provide rigorous analysis, reliable expert testimony, and data-powered policy recommendations for the world's leading law firms and corporations as well as regulators and governments. Our experience, integrity, and economic ingenuity mean you can depend on us in the face of your biggest economic and financial challenges.



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# **Exhibit 7F**

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*Counsel for Lead Plaintiffs Employees' Retirement  
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Philadelphia Board of Pensions and Retirement,  
and Plymouth County Retirement Association, and  
Lead Counsel for the Settlement Class*

*[Additional Counsel listed on Signature Page]*

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

IN RE FIBROGEN, INC., SECURITIES  
LITIGATION

Case No. 3:21-cv-02623-EMC

**CLASS ACTION**

~~PROPOSED~~ ORDER AWARDING  
ATTORNEYS' FEES AND EXPENSES

Hearing Date: May 16, 2024  
Time: 1:30 p.m.  
Courtroom: 5 – 17<sup>th</sup> Floor  
Judge: Hon. Edward M. Chen



1 This matter came before the Court for hearing (the “Settlement Hearing”) on May 16, 2024  
2 on Lead Counsel’s: (1) Notice of Motion and Motion for an Award of Attorneys’ Fees and  
3 Reimbursement of Litigation Expenses; and (2) Memorandum in of Law in Support Thereof (ECF  
4 No. 251). The Court having considered all matters submitted to it at the Settlement Hearing and  
5 otherwise, and it appearing that notice of the Settlement Hearing substantially in the form approved  
6 by the Court was mailed or emailed to all Settlement Class Members who or which could be  
7 identified with reasonable effort, and that a summary notice of the Settlement Hearing substantially  
8 in the form approved by the Court was published in *Investor’s Business Daily* and was transmitted  
9 over *PR Newswire* pursuant to the specifications of the Court, and that notice of the Settlement  
10 Hearing was also provided over the Internet; and the Court having considered and determined the  
11 fairness and reasonableness of the award of attorneys’ fees and expenses requested.

12 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

13 1. This Order incorporates by reference the definitions in the Stipulation and  
14 Agreement of Settlement, dated December 7, 2023 (“Stipulation”; ECF No. 236, Ex. 1), and all  
15 capitalized terms not otherwise defined herein shall have the same meanings as set forth in the  
16 Stipulation.

17 2. The Court has jurisdiction to enter this Order and over the subject matter of the  
18 Litigation and over all parties to the Litigation, including all Settlement Class Members.

19 3. Pursuant to and in compliance with the Court’s February 13, 2024 Order  
20 Preliminarily Approving Settlement and Providing for Notice (ECF No. 244), Rule 23 of the  
21 Federal Rules of Civil Procedure, and all other applicable laws and rules, this Court hereby finds  
22 and concludes that due and adequate notice was directed to persons and entities who are Settlement  
23 Class Members, advising them of the motion requesting attorneys’ fees and litigation expenses  
24 and of their right to object thereto, and a full and fair opportunity was accorded to persons and  
25 entities who are Settlement Class Members to be heard with respect to the attorneys’ fees and  
26 expenses request. There have been no objections to the attorneys’ fees and expenses request.

27 4. The Court hereby awards Lead Counsel attorneys’ fees in the amount of 25% of the  
28 Settlement Amount, plus expenses in the amount of \$641,900.33, together with the interest earned

1 on both amounts for the same time period and at the same rate as that earned on the Settlement  
2 Fund until paid. The Court finds that the amount of fees awarded is appropriate and is fair and  
3 reasonable under the “percentage-of-recovery” method.

4 5. Pursuant to 15 U.S.C. §78u-4(a)(4), the Court hereby awards Lead Plaintiffs the  
5 Employees’ Retirement System of the City of Baltimore \$8,268.14, the City of Philadelphia Board  
6 of Pensions and Retirement \$19,570.00, and Plymouth County Retirement Association \$7,204.14,  
7 as reimbursements of costs and expenses directly related to their representation of the Settlement  
8 Class, which shall be paid from the Settlement Fund.

9 6. The awarded attorneys’ fees and expenses and interest earned thereon shall  
10 immediately be paid to Lead Counsel from the Settlement Fund immediately upon entry of this  
11 Order, subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions,  
12 and obligations are incorporated herein.

13 7. In making this award of attorneys’ fees and expenses to be paid from the Settlement  
14 Fund, the Court has analyzed the factors considered within the Ninth Circuit and found that:

15 (a) The Settlement has created a fund of \$28,500,000 in cash that has been  
16 placed in escrow pursuant to the terms of the Stipulation, and Settlement Class Members who  
17 submit acceptable Proofs of Claim will benefit from the Settlement that occurred through the  
18 efforts of Lead Counsel;

19 (b) The fee sought has been reviewed and approved by Lead Plaintiffs,  
20 sophisticated institutional investors that oversaw the Litigation and have a substantial interest in  
21 ensuring that any attorneys’ fees paid are duly earned and not excessive;

22 (c) The amount of attorneys’ fees is consistent with awards in similar cases and  
23 supported by public policy;

24 (d) Lead Counsel conducted the Litigation and achieved the Settlement with  
25 skill, perseverance, and diligent advocacy, and with considerable challenges from formidable  
26 opposition;

27 (e) Lead Counsel expended substantial time and effort prosecuting the  
28 Litigation on behalf of the Settlement Class;

1 (f) The Litigation raised a number of complex factual and legal issues, and, in  
2 the absence of the Settlement, would involve further lengthy proceedings with uncertain resolution  
3 if the case were to proceed to trial;

4 (g) Lead Counsel pursued the Litigation on a contingent basis, having received  
5 no compensation during the Litigation, and any fee amount has been contingent on the result  
6 achieved;

7 (h) The efforts of Lead Counsel resulted in an all-cash settlement at a stage in  
8 the proceedings that will permit Settlement Class Members to benefit from the recovery without  
9 any delay or expense;

10 (i) No objections to the attorneys' fees and expenses requested by Lead  
11 Counsel have been received; and

12 (j) The amount of expenses awarded is fair and reasonable and these expenses  
13 were necessary for the prosecution and settlement of the Litigation.

14 8. Any appeal or challenge affecting the Court's approval regarding any attorneys'  
15 fees and expenses shall in no way disturb or affect the finality of the Order and Final Judgment  
16 entered with respect to the Settlement.

17 9. The Court retains exclusive jurisdiction over the parties and Settlement Class  
18 Members for all matters relating to this Litigation, including the administration, interpretation,  
19 effectuation, or enforcement of the Stipulation and this Order.

20 10. In the event the Settlement is terminated or the Effective Date of the Settlement  
21 otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the  
22 Stipulation.

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1           11.     There is no just reason for delay in the entry of this Order, and immediate entry by  
2 the Clerk of the Court is expressly directed.

3 SO ORDERED this \_\_\_\_ 1st \_\_\_\_ day of \_\_\_\_ August \_\_\_\_, 2024.

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The Honorable Edward M. Chen  
United States District Judge

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# **Exhibit 7G**

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division

IN RE JAMES RIVER GROUP HOLDINGS,  
LTD. SECURITIES LITIGATION

Civil No. 3:21cv444 (DJN)

**ORDER**  
**(Granting Motion for Attorneys' Fees and Litigation Expenses)**

This matter comes before the Court following the hearing on May 24, 2024 (the "Settlement Hearing") on Lead Counsel's Motion for Attorneys' fees and Litigation Expenses. ("Motion," ECF No. 124.) The Court having considered all matters submitted to it during the Settlement Hearing and otherwise; it appearing that: (i) the Notice of the Settlement Hearing was mailed to all Settlement Class Members who or which could be identified with reasonable effort substantially in the form approved by the Court and (ii) a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and Litigation Expenses requested, hereby ORDERS that:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated December 22, 2023 (ECF No. 114-1) (the "Stipulation") and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.
2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Settlement Class Members.
3. Notice of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses was given to all Settlement Class Members who could be identified with reasonable effort. The

form and method of notifying the Settlement Class of the motion for attorneys' fees and expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of 25% of the Settlement Fund, net of Litigation Expenses, or \$7,344,570, plus interest earned at the same rate as the Settlement Fund. Plaintiffs' Counsel are also hereby awarded \$603,965.20 for payment of their litigation expenses. These attorneys' fees and expenses shall be paid from the Settlement Fund and the Court finds these sums to be fair and reasonable. Lead Counsel shall allocate the attorneys' fees awarded among Plaintiffs' Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

5. In making this award of attorneys' fees and payment of litigation expenses from the Settlement Fund, the Court has considered and found that:

a. The Settlement has created a fund of \$30,000,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Plaintiffs' Counsel;

b. The fee sought is based on retainer agreements entered into by Lead Counsel and Lead Plaintiffs at the outset of the litigation and the requested fee has been again reviewed and approved as reasonable by Lead Plaintiffs, sophisticated institutional investors that actively supervised the Action, at the conclusion of the Action;







# **Exhibit 7H**

**FILED**

July 28, 2023

CLERK, U.S. DISTRICT COURT  
WESTERN DISTRICT OF TEXAS

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

BY: \_\_\_\_\_ SO \_\_\_\_\_  
DEPUTY

IN RE SOLARWINDS CORPORATION  
SECURITIES LITIGATION

Case No. 1:21-cv-00138-RP

CLASS ACTION

**[PROPOSED] ORDER AWARDING  
ATTORNEYS’ FEES AND LITIGATION EXPENSES**

This matter came on for hearing on July 28, 2023 (the “Settlement Fairness Hearing”) on Lead Counsel’s motion for attorneys’ fees and Litigation Expenses. The Court having considered all matters submitted to it at the Settlement Fairness Hearing and otherwise; it appearing that: (i) the Notice of the Settlement Fairness Hearing was mailed to all Settlement Class Members who or which could be identified with reasonable effort substantially in the form approved by the Court and (ii) a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and released over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and Litigation Expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated November 28, 2022 (ECF No. 97-1) (the “Stipulation”) and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.
2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Settlement Class Members.

3. Notice of Lead Counsel's motion for attorneys' fees and Litigation Expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for attorneys' fees and expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of 25% of the Settlement Fund, net of Litigation Expenses awarded, or \$6,426,697 (plus interest earned at the same rate as the Settlement Fund). Plaintiffs' Counsel are also hereby awarded \$270,449.02 for payment of their litigation expenses. These attorneys' fees and expenses shall be paid from the Settlement Fund and the Court finds these sums to be fair and reasonable. Lead Counsel shall allocate the attorneys' fees awarded among Plaintiffs' Counsel in a manner in which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

5. In making this award of attorneys' fees and payment of litigation expenses from the Settlement Fund, the Court has considered and found that:

a. The Settlement has created a fund of \$26,000,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Plaintiffs' Counsel;

b. The requested fee has been reviewed and approved as reasonable by Lead Plaintiff, an institutional investor that actively supervised the Action;

c. Copies of the Notice were mailed to over 25,000 potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not to exceed 25% of the Settlement Fund and payment of Litigation Expenses in an amount not to exceed \$500,000 and no objections to the requested award of attorneys' fees or Litigation Expenses were submitted;

d. Lead Counsel conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

e. The Action raised a number of complex issues;

f. Had Lead Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiff and the other members of the Settlement Class may have recovered less or nothing from Defendants;

g. Plaintiffs' Counsel devoted over 6,200 hours, with a lodestar value of approximately \$3.4 million, to achieve the Settlement; and

h. The amount of attorneys' fees awarded and expenses to be paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

6. Lead Plaintiff New York City District Council of Carpenters Pension Fund is hereby awarded \$22,760.30 from the Settlement Fund as reimbursement for its reasonable costs and expenses directly related to its representation of the Settlement Class.

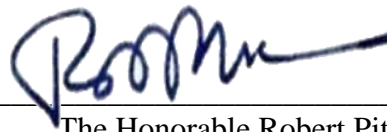
7. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

8. Exclusive jurisdiction is hereby retained over the Parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order.

9. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

10. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this 28th day of July, 2023.

A handwritten signature in black ink, appearing to read "R. Pitman", written over a horizontal line.

The Honorable Robert Pitman  
United States District Judge

# **Exhibit 7I**

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**SHEET METAL WORKERS LOCAL 19 }  
PENSION FUND, individually and on }  
behalf of all others similarly situated, }**

**Plaintiffs, }**

**v. }**

**Case No.: 2:20-cv-00856-RDP**

**PROASSURANCE CORPORATION, et }  
al., }**

**Defendants. }**

**ORDER AWARDING ATTORNEYS’ FEES AND EXPENSES**

This matter is before the court on Lead Plaintiffs Central Laborers’ Pension Fund and Plymouth County Retirement Association’s (“Lead Plaintiffs” or “Class Representatives”) Motion for an Award of Attorneys’ Fees and Expenses. (Doc. # 167).

On August 25, 2023, the court granted preliminary approval to the proposed class action settlement set forth in the Settlement Agreement. (Doc. # 162). The court also approved the procedure for giving Class Notice to the members of the Class and set a Final Approval Hearing to take place on January 17, 2024. (*Id.*).

On January 17, 2024, after notice, this court held a Final Approval Hearing to consider: (1) whether the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate; (2) whether a judgment should be entered dismissing the Class Members’ Released Claims on the merits and with prejudice; and (3) whether and in what amount to award attorneys’ fees and expenses to Class Counsel.



The court has reviewed both Lead Plaintiffs' Motion for an Award of Attorneys' Fees and Expenses (Doc. # 167), the Memorandum of Law in Support of the Motion (Doc. # 168), and Lead Plaintiffs' Notice of Non-Opposition and Reply in Further Support (Doc. # 169). Based on the papers filed with the court and the presentations made to the court by the Parties and other interested persons at the Final Approval Hearing, it is hereby **ORDERED** as follows:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement, dated June 22, 2023 (Doc. # 157) (the "Stipulation"), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The court has jurisdiction to enter this Order and over the subject matter of the Litigation and over all parties to the Litigation, including all Settlement Class Members.

3. Pursuant to and in compliance with the court's August 25, 2023 Memorandum Opinion and Order Preliminarily Approving Settlement and Directing Notice to the Class (Doc. # 162), Rule 23 of the Federal Rules of Civil Procedure, and all other applicable laws and rules, this court hereby finds and concludes that due and adequate notice was directed to persons and entities who are Settlement Class Members, advising them of the motion requesting attorneys' fees and litigation expenses and of their right to object thereto, and a full and fair opportunity was accorded to persons and entities who are Settlement Class Members to be heard with respect to the attorneys' fees and expenses request. There have been no objections to the attorneys' fees and expenses request.

4. The court hereby **AWARDS** Lead Counsel attorneys' fees in the amount of 33% of the Settlement Amount, plus expenses in the amount of \$1,240,844.77, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The court finds that the amount of fees awarded is appropriate and is

fair and reasonable under the “percentage-of-recovery” method. The majority of common fund fee awards fall between 20% to 30% of the fund. *Camden I Condo. Ass’n v. Dunkle*, 946 F.2d 768, 774 (11th Cir. 1991). Of course, this benchmark percentage may be adjusted in accordance with the unique circumstances of each case. *Id.* at 775. Below, the court explains why an upward adjustment to 33% is warranted here. Additionally, the court notes counsel devoted over 27,200 hours to this case. (Doc. # 165-1 ¶ 91). The requested fee award of 33% of \$28,000,000 (*i.e.*, \$9,240,000) amounts to a very reasonable effective hourly rate of approximately \$340.

5. Pursuant to binding precedent established in *Johnson v. NPAS Solutions, LLC*, 975 F.3d 1244,1260-61 (11th Cir. 2020), Central Laborers’ Pension Fund’s request of \$9,760.25 and Plymouth County Retirement Association’s request of \$8,281.05 as reimbursements of costs and expenses directly related to their representation of the Settlement Class is **DENIED**.

6. The awarded attorneys’ fees and expenses and interest earned thereon shall immediately be paid to Lead Counsel from the Settlement Fund upon entry of this Order, subject to the terms, conditions, and obligations of the Stipulation, which are incorporated herein.

7. In making this award of attorneys’ fees and expenses to be paid from the Settlement Fund, the court has analyzed the factors considered within the Eleventh Circuit and found that:

(a) The Settlement has created a fund of \$28,000,000 in cash that has been placed into escrow pursuant to the terms of the Stipulation, and Settlement Class Members who submit acceptable Proofs of Claim will benefit from the Settlement that occurred through the efforts of Lead Counsel;

(b) The fee sought has been reviewed and approved by Lead Plaintiffs, sophisticated institutional investors that oversaw the Litigation and have a substantial interest in ensuring that any attorneys’ fees paid are duly earned and not excessive;

(c) The amount of attorneys' fees is consistent with awards in similar cases and supported by public policy;

(d) Lead Counsel conducted the Litigation and achieved the Settlement with skill, perseverance, and diligent advocacy, and with considerable challenges from formidable opposition;

(e) Lead Counsel expended substantial time and effort prosecuting the Litigation on behalf of the Settlement Class;

(f) The Litigation raised a number of complex factual and legal issues, and, in the absence of Settlement, would involve further lengthy proceedings with uncertain resolution if the case were to proceed to trial;

(g) Lead Counsel initiated and pursued the Litigation on a contingent basis, having received no compensation during the Litigation, and any fee amount has been contingent on the result achieved;

(h) The efforts of Lead Counsel resulted in an all-cash settlement at a stage in the proceedings that will permit Settlement Class Members to benefit from the recovery without further delay or expense;

(i) No objections to the attorneys' fees and expenses requested by Lead Counsel have been received; and

(j) The amount of expenses awarded is fair and reasonable and these expenses were necessary for the prosecution and settlement of the Litigation.


8. The fees and expenses shall be allocated among Lead Plaintiffs' Counsel in a manner which, in Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution, and resolution of the Litigation.

9. Any appeal or any challenge affecting the court's approval regarding any attorneys' fees and expenses shall in no way disturb or affect the finality of the Order and Final Judgment entered with respect to the Settlement.

10. The court retains exclusive jurisdiction over the parties and Settlement Class Members for all matters relating to this Litigation, including the administration, interpretation, effectuation, or enforcement of the Stipulation and this Order.

11. In the event the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

**DONE** and **ORDERED** this January 17, 2024.

  
\_\_\_\_\_  
**R. DAVID PROCTOR**  
UNITED STATES DISTRICT JUDGE

# **Exhibit 7J**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

PAUL HAYDEN, et al.,

Plaintiffs,

v.

PORTOLA PHARMACEUTICALS  
INC., et al.,

Defendants.

No. 3:20-cv-00367-VC  
Hon. Vince Chhabria

**~~PROPOSED~~ ORDER AWARDING (I) ATTORNEYS' FEES, (II) REIMBURSEMENT OF EXPENSES, AND (III) AWARD OF COSTS AND EXPENSES TO PLAINTIFFS**

This matter came for hearing before the Court on March 2, 2023 (the “Final Approval Hearing”) on Lead Counsel’s motion for (i) an award of attorneys’ fees, (ii) reimbursement of litigation expenses incurred in this securities class action (the “Action”), and (iii) an award of costs and expenses to Plaintiffs pursuant to 15 U.S.C. § 78u-4(a)(4) (the “Fee and Expense Motion”). The Court, having considered all papers filed and the proceeding conducted herein, having found the Settlement reached in this action to be fair, reasonable, and adequate and otherwise being fully informed, finds as follows:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. All capitalized terms not otherwise defined herein have the same meaning as set forth in the September 19, 2022 Stipulation and Agreement of Settlement (ECF No. 231-2) (the “Stipulation”).
2. The Court has jurisdiction over the subject matter of this Action and all matters related thereto, including all members of the Settlement Class.<sup>1</sup>

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<sup>1</sup> “Settlement Class” means the class defined in the Order Preliminarily Approving Settlement and Providing for Notice (“Preliminary Approval Order”) (ECF No. 242), at 2-3.

3. Pursuant to and in compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court hereby finds and concludes that due and adequate notice of these proceedings was directed to all persons and entities who are Settlement Class Members who could be identified with reasonable effort advising them of the Fee and Expense Motion and of their right to object thereto, and a full and fair opportunity was accorded to persons and entities who are Settlement Class Members to be heard with respect to the Fee and Expense Motion.

4. The Court hereby finds that the Notice to the Settlement Class of the Fee and Expense Motion met the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 77z-1, 78u-4, as amended, and all other applicable law and rules; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice to all persons and entities entitled thereto.

5. No Settlement Class Member has filed an objection to the Fee and Expense Motion, nor requested exclusion from the Settlement Class.

6. Lead Counsel is hereby awarded, on behalf of all Plaintiffs' Counsel, attorneys' fees in the amount of **\$4,375,000 (25% of the Settlement Fund), and \$750,612.54**, in payment of Plaintiffs' Counsel's litigation expenses, together with any interest earned thereon for the same time period and at the same rate as that earned on the Settlement Fund until paid pursuant to the terms set forth in the Stipulation.

7. The attorneys' fees awarded in paragraph 6, supra, is subject to the hold-back provision of paragraph 10, infra.

8. The Court finds that the amount of fees awarded is appropriate and is fair and reasonable under both the "percentage-of-the-fund" method and using the lodestar cross-check, particularly given the substantial risks of non-recovery, the substantial time and effort involved, and the results obtained for the Settlement Class in connection with the Settlement.

9. In accordance with 15 U.S.C. § 78u-4(a)(4), the Court hereby awards reimbursement of costs and expenses from the Settlement Fund to Lead Plaintiff Alameda

County Employees' Retirement Association ("ACERA") in the amount of \$10,000 and Additional Named Plaintiff Oklahoma Firefighters Pension and Retirement System ("OFPRS") in the amount of \$8,500—sums the Court finds to be fair and reasonable—in connection with their representation of the Settlement Class.

10. Ninety percent (90%) of the total amount of attorneys' fees awarded and interest earned, as well as all litigation expenses and interest earned and reimbursement of costs and expenses to Plaintiffs, shall be paid from the Settlement Fund immediately upon entry of this Order, subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein by reference. Consistent with this Court's established practice, the Court orders that 10% of the total amount of attorneys' fees awarded shall be withheld until after a distribution of the Net Settlement Fund to Authorized Claimants has been made. Pursuant to the Court's Standing Order for Civil Cases (at 17), with Lead Counsel's filing of the Post-Distribution Accounting, Lead Counsel will submit a proposed order to the Court requesting the release of the remainder of its fee award and applicable earned interest.

11. In making the awards of attorneys' fees, reimbursement of litigation expenses, and reimbursement of Plaintiffs' costs and expenses to be paid from the Settlement Fund, the Court has considered and found that:

a. The Settlement constitutes a favorable result for the Settlement Class as it created a common fund of \$17.5 million in cash from which numerous Settlement Class Members who submit valid and timely Proofs of Claim will benefit;

b. The requested attorneys' fees and payment of litigation expenses have been reviewed and approved as fair and reasonable by Lead Plaintiff and Additional Named Plaintiff OFPRS, institutional investors that have been directly involved in the prosecution and resolution of the Action and who have substantial interests in ensuring that any fees and expenses paid to counsel are duly earned and not excessive;



c. The requested 25% fee request is consistent with an *ex-ante* fee agreement negotiated by ACERA and entered into at the outset of the litigation;

d. The attorneys' fees awarded are consistent with awards in similar cases and with the Ninth Circuit's 25% "benchmark";

e. Notice was disseminated to Settlement Class Members stating that Lead Counsel would be submitting a request for attorneys' fees in an amount not to exceed 25% of the Settlement Amount plus accrued interest, payment of expenses incurred in connection with the prosecution of this Action in an amount not to exceed \$840,000 plus accrued interest, and a payment of up to an aggregate of \$20,000 to Plaintiffs, which payment includes but is not limited to reimbursement of Plaintiffs' reasonable costs and expenses directly related to their representation of the Settlement Class. No Settlement Class Members have filed an objection to that request for fees, expenses, or reimbursement to Plaintiffs;

f. Plaintiffs' Counsel have expended substantial time and effort pursuing the Action on behalf of the Settlement Class;

g. The Action raised many complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings against the Defendants, the resolution of which would be uncertain;

h. Plaintiffs' Counsel assumed substantial risk by pursuing the Action on a contingent basis, having received no compensation during the Action, and expecting any fee award would be contingent on the result achieved;

i. As set forth in the Fee and Expense Motion, Plaintiffs' Counsel devoted over 15,400 hours, collectively, to the prosecution of the Action;

j. The fee awarded results in a negative lodestar multiplier of less than 0.5 of the collective lodestar of Plaintiffs' Counsel, which confirms the reasonableness of the requested fee;

k. Public policy strongly favors rewarding firms for bringing successful securities class action litigation; and

1. The amounts to be paid from the Settlement Fund for attorneys' fees, expenses, and an award for reimbursement of Plaintiffs' costs and expenses are fair and reasonable and consistent with awards in similar cases.

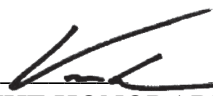
12. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fee and expense application shall in no way disturb or affect the finality of the Judgment and other orders entered with respect to the Settlement.

13. Exclusive jurisdiction is hereby retained over the subject matter of this Action and over all parties to the Action, including the administration and distribution of the Net Settlement Fund to Settlement Class Members.

14. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided by the Stipulation and shall be vacated in accordance with the Stipulation.

IT IS SO ORDERED.

DATED: March 6, 2023

  
\_\_\_\_\_  
THE HONORABLE VINCE CHHABRIA  
UNITED STATES DISTRICT JUDGE

# **Exhibit 7K**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
 :  
 FULTON COUNTY EMPLOYEES' :  
 RETIREMENT SYSTEM, Derivatively on Be: :  
 THE GOLDMAN SACHS GROUP, INC., :  
 :  
 Plaintiff :  
 :  
 -against- :  
 :  
 LLOYD BLANKFEIN, DAVID M. :  
 SOLOMON, M. MICHELE BURNS, MARK :  
 A. FLAHERTY, WILLIAM W. GEORGE, :  
 JAMES A. JOHNSON, ELLEN J. :  
 KULLMAN, LAKSHMI N. MITTAL, :  
 ADEBAYO O. OGUNLESI, PETER :  
 OPPENHEIMER, DAVID A. VINIAR, and :  
 MARK O. WINKELMAN, :  
 :  
 Defendants, :  
 :  
 and :  
 :  
 THE GOLDMAN SACHS GROUP, INC., :  
 :  
 Nominal :  
 Defendant. :  
 :  
 -----X

19-CV-1562 (VSB)

**FINAL JUDGMENT AND  
ORDER OF DISMISSAL**

VERNON S. BRODERICK, United States District Judge:

A hearing having been held before this Court on January 13, 2023, pursuant to the Court’s Order of September 16, 2022 (the “Preliminary Approval Order”), on the application of the Parties for approval of the settlement set forth in the Stipulation and Agreement of Settlement, executed on May 13, 2022 (the “Stipulation” or “Settlement”); due and adequate notice of the Settlement having been given as required in said Preliminary Approval Order; and the Court having considered all papers filed and proceedings held herein, and otherwise being fully informed, and

good cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED**, this 20th day of January, 2023, that:

1. This Final Judgment and Order of Dismissal incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the meanings as set forth in the Stipulation.

2. Notice has been given to shareholders of The Goldman Sachs Group, Inc. ("Goldman Sachs" or the "Company") pursuant to and in the manner directed by the Preliminary Approval Order; proof of publication of the required notice was filed with the Court; and a full opportunity to be heard has been afforded to all parties, Goldman Sachs shareholders and other interested persons. The form and manner of the notice provided is hereby confirmed to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of Federal Rule of Civil Procedure 23.1, due process and applicable law, and it is further determined that all Goldman Sachs shareholders are bound by the Final Judgment and Order of Dismissal herein.

3. The Court reconfirms that, for settlement purposes only, the Action is properly maintained as a shareholder derivative action on behalf of Goldman Sachs, and that Plaintiff fairly and adequately represented the interests of Goldman Sachs and its shareholders. Plaintiff Counsel is authorized to act on behalf of Goldman Sachs shareholders with respect to all acts required by the Stipulation or such other acts which are reasonably necessary to consummate the Settlement set forth in the Stipulation.

4. The Court has reviewed the proposed settlement for adequacy and fairness based on the factors set out in *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 463 (2d Cir. 1974).

Specifically, it has assessed the settlement based on “(1) the complexity, expense and likely duration of the litigation; (2) the stage of the proceedings and the amount of discovery completed; (3) the risks of establishing liability and damages; (4) the risks of maintaining the class action through the trial; (5) the lack of any objections; (6) the ability of the defendants to withstand a greater judgment; and (7) that the Total Settlement Amount is within the range of reasonableness in light of the best possible recovery and the attendant risks of litigation.” *Gonzalez v. PB Hudson LLC*, No. 17-CV-2010 (VSB), 2019 WL 11541374, at \*2 (S.D.N.Y. Apr. 4, 2019) (citing *Grinnell Corp.*, 495 F.2d at 463). Based on this review, the Settlement is found to be fair, reasonable, and adequate, and is hereby approved in all respects pursuant to Federal Rule of Civil Procedure 23.1. The Parties are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions, and the Clerk is directed to enter and docket this Final Judgment and Order of Dismissal in the Action. The Court finds that this Final Judgment and Order of Dismissal is a final judgment and should be entered in accordance with Federal Rule of Civil Procedure 58.

5. This Court has jurisdiction over the subject matter of the Action, including all matters necessary to effectuate the Settlement and this Final Judgment and over all parties to the Action.

6. The Action and the Released Claims are hereby dismissed on the merits with prejudice as to all Defendants in the Action and against all Released Parties on the merits and, except as may be awarded by the Court as contemplated below in Paragraphs 15 and 16, without fees or costs.

7. “Released Claims” means the Released Plaintiff Claims and the Released Defendant Claims. “Claims” means any and all manner of claims, demands, rights, liabilities,

losses, obligations, duties, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether based on state, local, federal, statutory, regulatory, common, or other law or rule, whether asserted or unasserted, known or unknown, accrued or unaccrued, matured or not matured, liquidated or not liquidated, fixed or contingent, including Unknown Claims. "Released Plaintiff Claims" means any and all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, statutory, regulatory, common, foreign or other law or rule, that Plaintiff or the Company (i) asserted in the Complaint or (ii) could have asserted, or could hereafter assert against any of the Released Defendant Parties either directly or derivatively on behalf of the Company that in any way are based on, arise from or relate to the allegations, transactions, facts, matters, disclosures or nondisclosures set forth in the Complaint, including but not limited to the conduct, actions, inactions, deliberations, statements or representations of any Released Defendant Party. For the avoidance of doubt, "Released Plaintiff Claims" shall not include or release: (i) any claims relating to the right to enforce this Stipulation or Settlement, or (ii) any direct claims of Plaintiff or any other Goldman stockholder, including without limitation any direct claims asserted under the federal securities laws, including without limitation claims asserted in the Second Amended Class Action Complaint, dated October 28, 2019 (ECF No. 63) in *Sjunde AP-Fonden v. The Goldman Sachs Group, Inc. et al.*, No. 1:18-cv-12084-VSB (S.D.N.Y.). "Released Defendant Claims" means any Claims that have been or could have been asserted in the Action, or in any other action or proceeding, by Defendants or any of their respective successors, transferees and assigns against any of the Released Plaintiff Parties, which arise out of or relate in any way to the institution, prosecution, settlement or dismissal of

the Action. “Released Defendant Claims” shall not include: (i) the right to enforce the Settlement; (ii) any Claims that arise out of or relate in any way to the D&O Policies that any of the Defendants has or may have against any of the Insurers; and (iii) any Claims that the Company (or any affiliate thereof) has or may have against Timothy Leissner or Ng Chong Hwa (also referred to as Roger Ng) including, without limitation, any right to clawback, demand forfeiture of, or reduce compensation arising out of or relating to, their employment by the Company or any direct or indirect affiliate thereof.

8. “Unknown Claims” means any Released Claims which the Released Parties do not know or suspect exist in their favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into or object to the Settlement. With respect to any and all Released Claims, and although the Settlement provides for a specific release of the Released Parties, the Parties stipulate and agree that, upon the Effective Date, the Released Parties shall be deemed to have, and by operation of the Final Judgment and Order of Dismissal shall have, waived the provisions, rights and benefits of California Civil Code § 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

The Released Parties shall be deemed to have, and by operation of the Final Judgment and Order of Dismissal shall have, waived any and all provisions, rights and benefits conferred by any law of any jurisdiction, state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code § 1542. Any Released Party may hereafter discover facts in addition to or different from those which he, she, they or it now knows



or believes to be true with respect to the Released Claims but, upon the Court's entry of the Final Judgment and Order of Dismissal, the Released Parties shall be deemed to have fully, finally, and forever settled and released any and all Released Claims known or unknown without regard to the subsequent discovery or existence of such different or additional facts. The Released Parties shall be deemed by operation of the Final Judgment and Order of Dismissal to have acknowledged that the foregoing waivers were separately bargained for and are key elements of the Settlement of which this release is a part.

9. "Released Parties" means the Released Plaintiff Parties and the Released Defendant Parties. "Released Plaintiff Parties" means Plaintiff, on behalf of itself, its legal representatives, heirs, executors, administrators, estates, predecessors, predecessors-in-interest, successors, successors-in-interest, affiliates, transferees, and assigns, and any Person acting for or on behalf of, or claiming under, any of them, and each of them, together with each of their respective officers, directors, managers, general partners, employees, representatives, and agents and Plaintiff Counsel. "Released Defendant Parties" means, whether or not any or all of the following Persons were named, served with process, or appeared in the Action: (i) Goldman Sachs; (ii) the Individual Defendants; (iii) any current or former director or officer of the Company or any of its affiliates; (iv) any Person that is or was related to or affiliated or associated with any or all of Defendants or in which any or all of them has or had a controlling interest; and (v) with respect to each of the Persons set forth or described in (i)-(iv), each of their respective past or present family members, spouses, heirs, trusts, trustees, executors, estates, foundations, administrators, beneficiaries, distributees, agents, employees, fiduciaries, partners, control persons, partnerships, general or limited partners, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, shareholders, principals, officers, managers,

directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, transferees, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys (including, without limitation, Defendants Counsel), personal or legal representatives, accountants, tax advisors, insurers, co-insurers, reinsurers and associates. “Released Defendant Parties” shall not include Messrs. Timothy Leissner, Roger Ng, nor any person who meets the criteria of subparts (iv) or (v) above in respect of Messrs. Leissner or Ng.

10. As of the Effective Date, the Released Plaintiff Parties, Goldman Sachs and each of Goldman Sachs shareholders to the extent he, she, they, or it are acting or purporting to act derivatively on behalf of Goldman Sachs shall be deemed to have fully, finally and forever released, settled, and discharged the Released Defendant Parties from and with respect to every one of the Released Plaintiff Claims on the terms and conditions set forth in the Stipulation, and shall thereupon be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute, whether directly or indirectly, any Released Plaintiff Claims against any of the Released Defendant Parties.

11. As of the Effective Date, Defendants shall be deemed to have fully, finally, and forever, released, settled, and discharged the Released Plaintiff Parties from and with respect to every one of the Released Defendant Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting, whether directly or indirectly, any of the Released Defendant Claims against any of the Released Plaintiff Parties.

12. As of the Effective Date, the Parties shall be deemed bound by the Stipulation and the Final Judgment and Order of Dismissal. The Final Judgment and Order of Dismissal including,

without limitation, the release of all Released Claims against all Released Parties, shall have res judicata, collateral estoppel, and all other preclusive effects in respect of all pending and future lawsuits, arbitrations, suits, actions, demands or proceedings involving any of the Released Plaintiff Parties or the Released Defendant Parties.

13. Plaintiff, Goldman Sachs, and each and every Goldman Sachs shareholder are hereby permanently barred and enjoined from asserting, commencing, prosecuting, assisting, instigating, continuing or in any way participating in the commencement or prosecution of any action, whether directly, representatively, derivatively or in any other capacity, asserting any of the Released Claims that are released pursuant to this Final Judgment and Order of Dismissal or under the Stipulation.

14. The existence of the Stipulation, its contents and any negotiations, statements, proceedings or agreements in connection therewith shall not be offered or received against any Party in any civil, criminal or administrative action, proceeding or forum as evidence of, or construed as or deemed to be evidence of, or in any way referred to for any other reason as against any of the Parties as a presumption, concession or admission: (i) by Plaintiff of any infirmity in the Claims asserted in the Action; (ii) by any Individual Defendant with respect to his or her liability, negligence or fault in respect of the Claims that have been or could have been asserted in the Action; or (iii) that the consideration to be given hereunder represents the consideration which could be or would have been recovered at trial; *provided, however*, that nothing contained in this paragraph shall apply to references to the Stipulation or accompanying documents in any action, proceeding or forum to effectuate the provisions of the Stipulation

15. Plaintiff Counsel's Fee Application is granted. The Court has reviewed the proposed fee based on the "percentage of fund method[]," *Goldberger v. Integrated Res., Inc.*, 209

F.3d 43, 50 (2d Cir. 2000), and applied the “lodestar” method as an additional check on the validity of the percentage award requested. *Nichols v. Noom, Inc.*, No. 20-CV-3677 (KHP), 2022 WL 2705354, at \*11 (S.D.N.Y. July 12, 2022). It has also reviewed this award in light of the six “*Goldberger* factors: (1) the time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of the litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations.” *Id.* at \*10 (quoting *In re Parking Heaters, Antitrust Litig.*, No. 15MC0940DLIJO, 2019 WL 8137325, at \*7 (E.D.N.Y. Aug. 15, 2019). The 25 percent award sought is within the range of awards granted by judges in this District. *See, e.g., In re Signet Jewelers Ltd. Sec. Litig.*, No. 1:16-CV-06728-CM-SDA, 2020 WL 4196468, at \*15 (S.D.N.Y. July 21, 2020) (“The 25% attorney fee (net of expenses) requested by Lead Counsel is within the range of percentage fees that have been awarded in the Second Circuit in securities class actions and other similar litigation with comparable recoveries.”); *In re Pfizer Inc. S’holder Derivative Litig.*, 780 F. Supp. 2d 336, 343 (S.D.N.Y. 2011) (determining, after collecting cases, that a 28 to 29 percent fee award was reasonable.) The Court’s assessment of the *Goldberger* factors and lodestar cross-check further confirm the propriety of the award. Accordingly, Plaintiff Counsel is hereby awarded attorneys’ fees in the amount of 25 percent of the Monetary Consideration provided in the Settlement, which amount the Court finds to be fair and reasonable, and which shall be paid to Plaintiff Counsel pursuant to the terms and conditions of the Stipulation.

16. Plaintiff’s application for a Service Award is granted. “Courts in this Circuit routinely award . . . costs and expenses both to reimburse the named plaintiffs for expenses incurred through their involvement with the action and lost wages, as well as to provide an incentive for such plaintiffs to remain involved in the litigation and to incur such expenses in the

first place.” *In re Fab Universal Corp. S’holder Derivative Litig.*, 148 F. Supp. 3d 277, 285 (S.D.N.Y. 2015). Accordingly, Plaintiff is hereby awarded a Service Award in the amount of \$5,000, which shall be paid to Plaintiff from Plaintiff Counsel’s fee award pursuant to the terms and conditions of the Stipulation.

17. The effectiveness of this Final Judgment and Order of Dismissal and the obligations of Plaintiff, Plaintiff Counsel, Goldman Sachs, Goldman Sachs shareholders, and Defendants under the Settlement shall not be conditioned upon or subject to the resolution of any appeal or other matter that relates solely to the issue of any award for attorneys’ fees or reimbursement of expenses.

18. The Court further orders, adjudges and decrees that all other relief be, and is hereby, denied, and that this Final Judgment and Order of Dismissal disposes of all the claims and all the parties in the above-styled captioned shareholder derivative action.

19. Without affecting the finality of this Final Judgment and Order of Dismissal in any way, this Court retains jurisdiction over all matters relating to the administration and consummation of the Settlement and all Parties hereto for the purpose of construing, enforcing and administering the Settlement. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

20. The Court finds that the Action was filed, prosecuted, defended, and settled in good faith, and that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rules of Civil Procedure.

21. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, then this Final Judgment and Order of Dismissal shall be rendered null and void to the extent provided by and in accordance with the

Stipulation and shall be vacated, and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided for and in accordance with the Stipulation.

**SO ORDERED.**

Dated: January 20, 2023  
New York, New York

A handwritten signature in black ink that reads "Vernon Broderick". The signature is written in a cursive style with a large initial "V".

The Honorable Vernon S. Broderick  
United States District Judge

# **Exhibit 7L**

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

IN RE NOVO NORDISK  
SECURITIES LITIGATION

No. 3:17-cv-00209-ZNQ-LHG

**ORDER AWARDING ATTORNEYS' FEES AND LITIGATION EXPENSES AND  
AWARDS TO LEAD PLAINTIFFS PURSUANT TO 15 U.S.C. §78u-4(a)(4)**

This matter having come before the Court on July 13, 2022, on Lead Counsel's motion for an award of attorneys' fees and litigation expenses (the "Fee Motion") in the above-captioned action (the "Action"), and the Court, having considered all papers filed and proceedings conducted herein, having found the Settlement of this Action to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated November 23, 2021 (the "Stipulation") (ECF 311-3), and all capitalized terms used in this Order, but not defined herein, shall have the same meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of this Order, the Fee Motion, and all matters relating thereto, including Class Members.
3. Notice of Lead Counsel's Fee Motion was given to all Class Members who could be located with reasonable effort. The form and method of notifying the Class of the Fee Motion met the requirements of Rule 23 of the Federal Rules of Civil Procedure and 15 U.S.C. §78u-4(a)(7), the



Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, the United States Constitution (including the Due Process clause), and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due, adequate, and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby awards Plaintiffs' Counsel attorneys' fees of 29% of the Settlement Fund (or \$29 million together with interest earned thereon for the same time period and at the same rate as that earned on the Settlement Fund until paid), plus litigation expenses in the amount of \$2,738,023.93. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

5. The awarded attorneys' fees and expenses shall be paid to Plaintiffs' Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶15 thereof, which terms, conditions, and obligations are incorporated herein.

6. In making this award of fees and expenses to Plaintiffs' Counsel, the Court has considered and found that:

(a) the Settlement has created a fund of \$100,000,000 in cash that is already on deposit, and numerous Class Members who submit, or have submitted, valid Proof of Claim Forms will benefit from the Settlement created by Plaintiffs' Counsel;

(b) over 378,000 copies of the Settlement Notice were disseminated to potential Class Members indicating that Lead Counsel would move for attorneys' fees in an amount not to exceed 30% of the Settlement Fund, plus interest, and for litigation expenses in an amount not to exceed \$3.3 million;

(c) Plaintiffs' Counsel have pursued the Action and achieved the Settlement with skill, perseverance, and diligent advocacy;

(d) Plaintiffs' Counsel have expended substantial time and effort pursuing the Action on behalf of the Class;

(e) Plaintiffs' Counsel pursued the Action on a contingent basis, having received no compensation during the Action, and any fee amount has been contingent on the result achieved;

(f) the Action involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) had Plaintiffs' Counsel not achieved the Settlement, there would remain a significant risk that the Class may have recovered less or nothing from Defendants;

(h) Plaintiffs' Counsel have devoted a total of 123,862 hours, with a lodestar value of \$60,856,642.25, to achieve the Settlement;

(i) public policy concerns favor the award of reasonable attorneys' fees and expenses in securities class action litigation; and

(j) the attorneys' fees and expenses awarded are fair and reasonable and consistent with awards in similar cases within the Third Circuit.

7. Any appeal or any challenge affecting this Court's approval regarding the Fee Motion shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

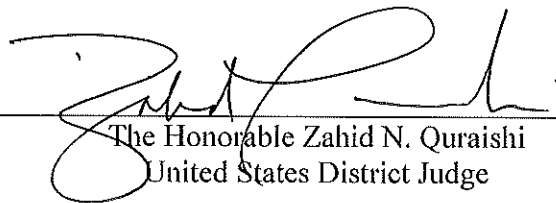
8. Pursuant to 15 U.S.C. §78u-4(a)(4), Lead Plaintiffs Lehigh County Employees' Retirement System, Oklahoma Firefighters Pension and Retirement System, Boston Retirement System, Employees' Pension Plan of the City of Clearwater, and Central States, Southeast and Southwest Pension Fund are awarded \$10,410.50, \$3,237.50, \$8,932.26, \$5,343.79, and \$12,095.00, respectively, for a total of \$40,019.05, for representation of the Class during the Action.

9. The Court has considered the objection to the fee application filed by Neville Hedley (ECF 354-1) and finds it to be without merit. The objection is overruled in its entirety.

10. In the event that the Settlement is terminated or the Judgment approving the Settlement does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided in the Stipulation and shall be vacated in accordance with the Stipulation.

11. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED on this 13<sup>th</sup> day of July, 2022.

  
The Honorable Zahid N. Quraishi  
United States District Judge

# **Exhibit 7M**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

---

In re:	)	
	)	Chapter 11
	)	
PARTY CITY HOLDCO INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90005 (DRJ)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**DEBTORS’ APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING  
THE RETENTION AND EMPLOYMENT OF GOODWIN PROCTER LLP AS  
ATTORNEYS FOR THE AUDIT COMMITTEE OF PARTY CITY HOLDCO INC.**

**If you object to the relief requested, you must respond in writing. Unless otherwise directed by the court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this application was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this application was filed. Otherwise, the court may treat the pleading as unopposed and grant the relief requested.**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state the following in support of this application:

**Relief Requested**

1. The Debtors seek entry of an order (the “Order”), substantially in the form attached hereto, authorizing the retention and employment by the Debtors of Goodwin Procter LLP (“Goodwin”) to serve as the attorneys for, and to advise, the audit committee (the “Audit Committee”) of Party City Holdco Inc. (“Party City”) with respect to providing the Audit Committee services solely in connection with Goodwin undertaking a review of Party City’s

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Party City Holdco Inc. (9758); Amscan Custom Injection Molding, LLC (4238); Amscan Inc. (1359); Amscan Purple Sage, LLC (3514); Am-Source, LLC (8427); Anagram Eden Prairie Property Holdings LLC (8309); Party City Corporation (3692); Party City Holdings Inc. (3029); Party Horizon Inc. (5812); PC Intermediate Holdings, Inc. (1229); PC Nextco Finance, Inc. (2091); PC Nextco Holdings, LLC (7285); Print Appeal, Inc. (5932); and Trisar, Inc. (0659). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 100 Tice Boulevard, Woodcliff Lake, New Jersey 07677.

internal process for compiling and presenting information to Party City’s auditors in connection with the audit and quarterly review process during the period from November 2022 to date on the terms and conditions set forth in Goodwin’s engagement letter with the Audit Committee.<sup>2</sup>

2. In support of this application, the Debtors rely upon (a) the declaration of Deborah Birnbach, a partner of Goodwin (the “Birnbach Declaration”), attached hereto as Exhibit A and (b) the declaration of Ian Heller, the Senior Vice President, General Counsel, and Secretary of Party City Holdco Inc. (the “Heller Declaration”), attached hereto as Exhibit B.

### **Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012 (the “Amended Standing Order”). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court.

4. Venue is proper pursuant to 28 U.S.C. § 1408.

5. The statutory bases for the relief requested herein are sections 327(e)<sup>3</sup> and 330 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2014-1 and 2016-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”), and the Procedures for Complex Cases in the Southern District of Texas (the “Complex Case Procedures”).

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<sup>2</sup> The Engagement Letter is attached as Exhibit 1 to the Birnbach Declaration (as defined herein).

<sup>3</sup> Even though Goodwin has not previously represented the Debtors, the Engagement is “for a specified special purpose” (11 U.S.C. § 327(e)) (i.e., the specified Services (as defined herein)) and thus employment under Section 327(e) is appropriate. However, as Goodwin is “disinterested,” as described further herein, employment under Section 327(a) would also be appropriate.

### **Background**

6. On January 17, 2023 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On January 18, 2023, the Court entered an order authorizing the joint administration and procedural consolidation of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. On February 1, 2023, the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”) [Docket No. 289]. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

8. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of David Orlofsky, Chief Restructuring Officer of Party City Holdco Inc., in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 11] (the “First Day Declaration”).<sup>4</sup>

### **Goodwin’s Qualifications**

9. Goodwin is a full-service law firm with a national and international presence and has experience and expertise in every major substantive area of legal practice including litigation and related complex internal investigations and reviews for audit committees and other board committees in financial accounting and corporate governance related matters. Goodwin has undertaken similar representations in the past including several audit committee reviews for audit committees of public companies relating to accounting issues such as revenue recognition,

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<sup>4</sup> Capitalized terms used but not defined in this application have the meanings ascribed to them in the First Day Declaration.

internal controls over financial reporting, financial restatements and other issues, which such matters required similar skill and experience. In particular, Deborah Birnbach, who will lead the Engagement (as defined herein) has led audit committee matters for over twenty publicly traded companies over the last eight years.

10. The Debtors retained Goodwin on April 25, 2023, to undertake a review of Party City's internal process for compiling and presenting information to Party City's auditors in connection with the audit and quarterly review process during the period from November 2022 to date (the "Engagement").

11. Deborah Birnbach, along with other partners of, counsel to, and associates of Goodwin who will be working on this matter, are currently members in good standing of the applicable state bar(s) in which they are admitted to practice.

12. For the foregoing reasons, the Debtors believe that Goodwin is well-qualified to represent the Audit Committee in this particular matter and will do so efficiently. As such, it is the Debtors belief that such retention is in the best interests of the Debtors, their estates and creditors.

#### **Services to be Rendered**

13. The Debtors have requested that Goodwin undertake such review services and related analysis, and inform the Audit Committee of its findings and recommendations (if any), consistent with what would be customarily required under the circumstances presented, and consistent with Goodwin's experience in such matters, in order to complete the Engagement (the "Services"). It is currently anticipated that the Engagement will take approximately three to six weeks, although the time period may be extended based upon the information obtained in the course of providing the Services. Goodwin is willing to act as counsel with respect to the Engagement and to render the necessary professional services in connection with the same.



### **Professional Compensation**

14. Goodwin's professional services are necessary to ensure that all matters related to the Engagement are handled diligently and efficiently. Goodwin practices in a national marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialization, Goodwin's expertise, performance, and reputation, the nature of the work involved, and other factors. Goodwin has advised the Audit Committee that, subject to this Court's allowance of compensation and reimbursement of expenses in accordance with applicable general orders and fee guidelines of this Court, sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other orders of the Court, it will charge the Debtors for its legal services on an hourly basis in accordance with its ordinary and customary rates for matters of this type in effect on the date such services are rendered, and for reimbursement of all costs and expenses incurred in connection with these chapter 11 cases, as set forth in the Birnbach Declaration filed concurrently herewith.

15. The Birnbach Declaration sets forth hourly rates which are standard for Goodwin and are in accordance with its ordinary and customary rates for matters of this type in effect on the date such services are rendered. These rates are set at a level designed to fairly compensate Goodwin for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses, and are revised on an annual basis. Goodwin's current standard hourly rates range from \$1,250 to \$2,150 for partners, \$710 to \$1,175 for associates, and \$360 to \$620 for paralegals. These rates are subject to periodic adjustment to reflect economic and other conditions. Goodwin has not agreed to any variations from, or alternatives to, its standard billing arrangements for the Engagement.

16. The following attorneys will have primary responsibility for the Engagement.

<u>Name</u>	<u>Position</u>	<u>Current Hourly Rate</u>
Deborah Birnbach	Partner	\$1,775
John Barker	Associate	\$1,175
James Nikraftar	Associate	\$925
Wrenne Bartlett	Associate	\$805
Casey Wright	Associate	\$710

Other Goodwin lawyers may be consulted in connection with the Engagement, as necessary.

17. Goodwin also customarily charges its clients for various costs and expenses incurred, including, among other things, certain telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for “working meals,” computerized research, transcription costs, as well as non-ordinary overhead expenses approved by the client such as secretarial and other overtime. In addition, in connection with the Engagement, Goodwin anticipates that it will engage an outside service provider to assist with document collection, categorization, review and retrieval which expenses will be billed to the Debtors at cost. Goodwin will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to Goodwin’s other clients.

#### **Compensation Received by Goodwin**

18. Goodwin did not receive any payments from the Debtors in connection with this matter during the ninety (90) days immediately preceding the Petition Date.

19. Goodwin’s Engagement Letter requires a revision of the Approved Budget to include additional funds for Goodwin’s estimated fees in the amount of two million dollars (\$2,000,000) to be funded the Carve-Out Account as to which Goodwin will be a professional

entitled to the benefit of the same in accordance with the Final DIP Order.<sup>5</sup> Notwithstanding the foregoing, the Approved Budget will be increased by one million two hundred and fifty thousand dollars (\$1,250,000) on account of Goodwin's estimated fees; provided, however, it shall be a condition of Goodwin's continued employment that the Approved Budget be further increased upon Goodwin's request based upon its then estimated fees. For the avoidance of doubt, Goodwin's estimate of its fees shall not be a cap on the allowed amount of Goodwin's total fees. Further, the Engagement Letter requires that Goodwin shall be entitled to file a final fee application and be paid immediately following the entry of an order approving Goodwin's final fees and reimbursement of expenses.

#### **Section 327 And Goodwin's Disinterestedness**

20. To the best of the Debtors' knowledge, as set forth in the Birnbach Declaration, (a) Goodwin does not represent or hold any interest adverse to the Debtors or to the estates with respect to the matter on which Goodwin is to be employed (i.e., the Services); (b) Goodwin is "disinterested" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and (c) neither Goodwin nor any of the partners, counsel, associates, or paralegals of Goodwin have any connection with or hold or represent an interest adverse to any of the Debtors, their affiliates, or their estates, except as specifically disclosed in the Birnbach Declaration. If any new relevant facts or relationships are discovered, Goodwin will use reasonable efforts to identify such developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

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<sup>5</sup> For purposes of this sentence, "Final DIP Order" means that certain "Final Order (I) Authorizing The Debtors To (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Provide Superpriority Administrative Expense Claims, (II) Granting Adequate Protection To Certain Prepetition Secured Parties, (III) Modifying The Automatic Stay, and (IV) Granting Related Relief," entered in the Bankruptcy Cases as Docket No 587, and the other capitalized terms used in this sentence shall have the meaning ascribed to such terms in the Final DIP Order.

**Supporting Authority**

21. The Debtors seek retention of Goodwin pursuant to section 327(e) of the Bankruptcy Code, which provides that a debtor, subject to Court approval:

[M]ay employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

11 U.S.C. § 327(e).

22. Goodwin is being employed for a specified special purpose – to provide the Services - and is not being employed to provided services generally in connection with the Debtors’ chapter 11 cases. As described herein, Goodwin’s employment is in the best interest of the estates as it is necessary for the Debtors to complete the audit process. Thus, while Goodwin has not previously represented the Debtors, employment of Goodwin pursuant to Section 327(e) is appropriate.<sup>6</sup>

23. Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

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<sup>6</sup> In any event, as Goodwin is disinterested, as described herein, Goodwin’s employment pursuant to Section 327(a) is also appropriate. Section 327(a) of the Bankruptcy Code, provides that a debtor, subject to Court approval:

[M]ay employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor]’s duties under this title.

11 U.S.C. § 327(a).

24. The Debtors submit that for all the reasons stated above and in the Birnbach Declaration, the retention and employment of Goodwin is necessary and in the best interests of the Debtors and their estates and complies with the requirements of section 327(e) and section 327(a) of the Bankruptcy Code. As stated in the Birnbach Declaration, Goodwin does not represent or hold any interest adverse to the Debtors' estates with respect to the Services or otherwise, and is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code, as it does not hold or represent an interest adverse to the Debtors' estates and has no connection to the Debtors, their creditors, or other parties in interest, except as specifically disclosed in the Birnbach Declaration.

25. Pursuant to Local Rule 2014-1, this Application was filed more than thirty (30) days after the Petition Date because the Debtors recently determined to conduct a review of its internal process for compiling and presenting information to Party City's auditors in connection with the audit and quarterly review process. Accordingly, Goodwin was only engaged by the Debtors on April 25, 2023. This Application has been filed within thirty (30) days of Goodwin's engagement by the Debtors. Notwithstanding the foregoing, an Order authorizing employment is required *nunc pro tunc* because the Application was timely filed following Goodwin's engagement and prior to Engagement Goodwin had not provided services to the Debtors. Further, the required Services are critical to the Debtors' ongoing audit process which is an essential component of the Debtors' reorganization efforts. To the best of Goodwin's knowledge, approval of the Engagement will not prejudice any parties in interest.

#### **Notice**

26. The Debtors will provide notice of this application to the following parties or their respective counsel: (a) the U.S. Trustee; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) JPM, as Prepetition ABL Agent, and counsel

thereto, Simpson Thacher & Bartlett LLP, 425 Lexington Ave., New York, NY 10017; (d) counsel to the Ad Hoc Noteholder Group, Davis Polk & Wardwell LLP, 450 Lexington Ave., New York, NY 10017; (e) Ankura Trust Company, LLC, as First Lien Notes Trustee, 140 Sherman St. 4th Fl., Fairfield, CT 06824; (f) Wilmington Trust, National Association, as Unsecured Notes Trustee, 246 Goose Ln., Ste. 105, Guilford, CT 06437; (g) counsel to the Ad Hoc Group of Anagram Noteholders, Milbank LLP, 55 Hudson Yards, New York, NY 10001; (h) Ankura Trust Company, LLC, as agent under the DIP Facility, and counsel thereto, Chapman and Cutler LLP, 1270 Avenue of the Americas, New York, NY 10020; (i) counsel to the Committee, Pachulski Stang Ziehl & Jones, 919 N. Market Street, Suite 1700, Wilmington, DE 19801; (j) the United States Attorney's Office for the Southern District of Texas; (k) the Internal Revenue Service; (l) the United States Securities and Exchange Commission; (m) the state attorneys general for states in which the Debtors conduct business; (n) other regulatory agencies having a regulatory or statutory interest in these cases; and (o) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request that the Court enter the Order granting the relief requested in the application and granting such other and further relief as is appropriate under the circumstances.

Dated: April 27, 2023

/s/ Ian Heller

Ian Heller  
Senior Vice President, General Counsel, and  
Secretary  
Party City Holdco Inc.

**Certificate of Service**

I certify that on April 27, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ John F. Higgins*

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John F. Higgins



# **Exhibit 7N**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

*In re*

LL FLOORING HOLDINGS, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-11680 (BLS)

(Jointly Administered)

Obj. Deadline: September 6, 2024 at 4:00 p.m. (ET)

Hearing Date: September 16, 2024 at 11:00 a.m. (ET)

**APPLICATION OF THE DEBTORS FOR ENTRY OF  
AN ORDER (I) AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP AS COUNSEL TO THE DEBTORS EFFECTIVE  
AS OF THE PETITION DATE AND (II) GRANTING RELATED RELIEF**

LL Flooring Holdings, Inc. and certain of its affiliates, as the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors” and, together with their non-Debtor affiliates, the “Company”), respectfully represent as follows in support of this application (this “Application”):

**BACKGROUND**

1. On August 11, 2024 (the “Petition Date”), each Debtor commenced a case by filing a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”). The chapter 11 cases (the “Chapter 11 Cases”) have been consolidated for procedural purposes only

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four (4) digits of their respective tax identification numbers, are as follows: LL Flooring Holdings, Inc. (0817); LL Flooring, Inc. (9199); Lumber Liquidators Leasing, LLC (N/A); LL Flooring Services, LLC (5960); and Lumber Liquidators Foreign Holdings, LLC (4568). The address of the Debtors’ corporate headquarters is 4901 Bakers Mill Lane, Richmond, VA 23230.

and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

2. The Debtors continue to operate their business and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On August 21, 2024, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured creditors (the “Committee”) [Docket No. 116]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases.

4. The Company is one of North America’s leading specialty retailers of flooring. The Company carries a wide range of hard-surface floors and carpets in a range of styles and designs, and primarily sells to consumers or flooring focused professionals.

5. Additional factual background regarding the Company, including their business operations, corporate and capital structure, and the events leading up to the filing of these Chapter 11 Cases, is set forth in detail in the *Declaration of Holly Etlin in Support of Chapter 11 Petitions and First Day Papers* [Docket No. 11] (the “First Day Declaration”),<sup>2</sup> which is incorporated herein by reference.

### **JURISDICTION AND VENUE**

6. This Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

U.S.C. § 157(b). Venue of these Chapter 11 Cases and this Application in this district is proper under 28 U.S.C. §§ 1408 and 1409.

7. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final judgment or order by the Court with respect to this Application if it is later determined that the Court would lack Article III jurisdiction to enter such Order or judgment absent the consent of the parties.

### **RELIEF REQUESTED**

8. Through this Application, pursuant to sections 327(a) and 329 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rule 2014-1 and 2016-1, the Debtors respectfully request entry of an order substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) (i) authorizing the employment of Skadden, Arps, Slate, Meagher & Flom LLP (“Skadden” or the “Firm”) as counsel for the Debtors, effective as of the Petition Date, to perform the legal services that will be necessary during the Chapter 11 Cases, as more fully described herein, pursuant to and in accordance with the terms and conditions set forth in the engagement letter between the Debtors and Skadden, effective as of June 24, 2024 (the “Restructuring Engagement Agreement”), and (ii) granting related relief. In support of this Application, the Debtors submit the *Declaration of Lisa Laukitis in Support of the Debtors’ Application for an Order (I) Authorizing the Employment and Retention of Skadden, Arps, Slate, Meagher & Flom LLP as Counsel to the Debtors Effective as of the Petition Date and (II) Granting Related Relief* (the “Laukitis Declaration”), attached hereto as **Exhibit B**, and the *Declaration of Alice Givens in Support of the Debtors’ Application for an Order (I) Authorizing the Employment and Retention of Skadden, Arps, Slate, Meagher & Flom LLP as Counsel to the*

*Debtors Effective as of the Petition Date and (II) Granting Related Relief* (the “Givens Declaration”), attached hereto as **Exhibit C**.

### **SKADDEN’S QUALIFICATIONS**

9. Skadden’s representation of the Company dates back to August 2016, when Skadden was retained to advise the Company’s board of directors in connection with specific governance and possible transactional matters. Since that time, Skadden has represented the Company in a variety of transactional, governance, and benefits matters.

10. Skadden’s Restructuring Engagement Agreement with the Debtors, which supersedes prior engagement letters, memorializes the work that Skadden performs for the Debtors in connection with (i) the restructuring of the Debtors’ financial obligations; (ii) certain governance matters; (iii) certain transactional matters; and (iv) certain financing matters. The Restructuring Engagement Agreement is attached to the Laukitis Declaration as Exhibit 1.

11. Because Skadden has worked closely with the Company on a variety of matters over the past several years, Skadden has developed a wealth of institutional knowledge about the Company’s capital structure, governance, financing documents, and other material agreements. Additionally, due to Skadden’s working history with the Company, Skadden is familiar with the Company’s business affairs and many of the potential legal issues that have arisen and may arise in the context of these Chapter 11 Cases. Skadden’s understanding of the Company was critical as the Company embarked on its restructuring efforts, including engaging in negotiations with the Debtors’ Prepetition ABL Agent, exploring various strategic alternatives to address the Debtors’ financial circumstances, and, ultimately, preparing these Chapter 11 Cases. Skadden is deeply involved in the progression of these Chapter 11 Cases.

12. The Debtors also selected Skadden as their restructuring counsel because of Skadden’s experience and knowledge in the fields of debtors’ and creditors’ rights, mergers and

acquisitions, and business reorganizations under chapter 11 of the Bankruptcy Code. The Debtors believe that Skadden has assembled a highly qualified team of professionals and paraprofessionals to provide services to the Debtors during the Chapter 11 Cases.

13. Additional information regarding Skadden's qualifications is set forth more fully in the Laukitis Declaration.

### **SCOPE OF SERVICES TO BE PROVIDED**

14. The Debtors seek to retain Skadden, pursuant to the Restructuring Engagement Agreement, to render various services, including, but not limited to, the following:

- (i) advise the Debtors with respect to their powers and duties as debtors in possession in the continued management and operation of their business and properties;
- (ii) attend meetings and negotiate with representatives of creditors and other parties in interest and advise and consult on the conduct of the Chapter 11 Cases, including all of the legal and administrative requirements of operating in chapter 11;
- (iii) take all necessary actions to protect and preserve the Debtors' estates, including the prosecution of actions on the Debtors' behalf, the defense of actions commenced against the Debtors' estates, negotiations concerning litigation in which the Debtors may be involved, and objections to claims filed against the Debtors' estates;
- (iv) prepare on behalf of the Debtors all motions, applications, answers, orders, reports, and papers necessary to the administration of the estates;
- (v) negotiate and prepare on the Debtors' behalf: chapter 11 plan(s) or a sale of all or substantially all assets pursuant to section 363 of the Bankruptcy Code and all related agreements and/or documents, and take any necessary action on behalf of the Debtors in connection with the Chapter 11 Cases;
- (vi) explore various strategic alternatives to address the Debtors' financial circumstances;
- (vii) appear before this Court, any appellate courts, and the U.S. Trustee, and protect the interests of the Debtors' estates before such courts and the U.S. Trustee;
- (viii) perform all other necessary legal services and provide all other necessary legal advice to the Debtors in connection with the Chapter 11 Cases.

15. It is necessary and essential that the Debtors, as debtors in possession, employ attorneys to render the foregoing professional services to enable the Debtors to carry out their duties as debtors and debtors in possession. Skadden has indicated a willingness to act on behalf of, and render such services to, the Debtors. Moreover, corporate legal issues in bankruptcy require a specialized skillset, and Skadden professionals have extensive experience with respect to these issues.

16. The Debtors have filed or are planning to file retention applications for other professionals in the Chapter 11 Cases. In particular, the Debtors are seeking Court approval for the retention of (i) AP Services, LLC, as financial advisor; (ii) Houlihan Lokey Capital, Inc., as investment banker; and (iii) Stretto, Inc., as claims, noticing, and administrative agent. Skadden has informed the Debtors that it will take appropriate steps and coordinate with the Debtors' other professionals to avoid unnecessary duplication of efforts.

#### **SKADDEN'S COMPENSATION**

17. Skadden will accept as compensation for its work during the Chapter 11 Cases such sums as may be allowed by this Court based on (i) the basis of the professional time spent; (ii) the rates charged for such services; (iii) the necessity of such services to the administration of the estates; (iv) the reasonableness of the time within which the services were performed; and (v) the complexity, importance, and nature of the problems, issues, or tasks addressed in these Chapter 11 Cases. Additionally, Skadden will seek compensation for all time and expenses associated with its retention as a section 327(a) professional, including the preparation of this Application, the Laukitis Declaration, and related documents, as well as any monthly fee statements or interim and final fee applications.

18. Skadden's fees for professional services are based on its guideline hourly rates, which are periodically adjusted. Since January 1, 2024, the hourly rates under the Firm's

standard rate structure have ranged from \$675 to \$1,510 for associates; \$1,580 to \$1,800 for counsel; and \$1,860 to \$2,370 for partners (collectively, the “Skadden Rates”). The sole adjustment made to the Skadden Rates that is applicable to Skadden’s services on prepetition matters is the discount of M&A partner Richard Grossman’s hourly fees, which remain frozen at the 2023 level of \$2,050 for the duration of the Restructuring Engagement Agreement. Skadden has advised the Debtors that the hourly rates set forth above are subject to periodic increases in the normal course of the Firm’s business, often due to the increased experience of a particular professional. Skadden will provide notice of any future rate increase to the Debtors, the U.S. Trustee, and any official committee appointed in these Chapter 11 Cases.

19. Consistent with the Firm’s policy with respect to its other clients, Skadden will continue to charge the Debtors for all other services provided and for other charges and disbursements incurred in the rendition of services. These charges and disbursements include, among other things, costs for telephone charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, and witness fees and other fees related to trials and hearings. Charges and disbursements are invoiced pursuant to Skadden’s *Policy Statement Concerning Charges and Disbursements*, which is annexed to the Restructuring Engagement Agreement.

20. As set forth in the Laukitis Declaration, during the ninety (90) days prior to the Petition Date, the Firm received several payments to be held as an advanced payment retainer totaling \$5,805,026.40 (the “Advanced Payment Retainer”). Prior to the Petition Date, the Firm’s fees and expenses were applied against the Advanced Payment Retainer as they were incurred. During this 90-day period, the Firm invoiced and applied against the Advanced



Payment Retainer \$4,305,026.40 for prepetition services and expenses. As of the Petition Date, the Advanced Payment Retainer held \$1,500,000.

21. As of the Petition Date, the Debtors did not owe Skadden any amounts for legal services rendered before the Petition Date. Although certain expenses and fees may have been incurred but not yet applied to the Advanced Payment Retainer, the amount of Skadden's Advanced Payment Retainer always exceeded any amounts listed or to be listed on statements describing services rendered and expenses incurred (on a "rates times hours" and "dates of expenses incurred" basis) prior to the Petition Date.

22. Skadden intends to apply to this Court for allowance of compensation for professional services rendered and reimbursement of charges and disbursements incurred in the Chapter 11 Cases in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any orders entered in the Chapter 11 Cases governing professional compensation and reimbursement for services rendered and charges and disbursements incurred. Skadden will seek compensation for the services of each attorney and paraprofessional acting on behalf of the Debtors in the Chapter 11 Cases at the then current rate charged for such services as described herein.

23. Other than as set forth above, no commitments have been made or received by Skadden with respect to compensation to be paid in the Chapter 11 Cases.

24. Except for sharing arrangements among Skadden, its affiliated law practice entities, and their respective members, Skadden has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under section 504(b)(1) of the Bankruptcy Code.

### **DISINTERESTEDNESS**

25. The Debtors understand that except as otherwise set forth herein and in the accompanying Laukitis Declaration:

- (i) Neither Skadden nor any attorney at the Firm holds or represents an interest adverse to the estates.
- (ii) Neither Skadden nor any attorney at the Firm is or was a creditor, an equity security holder, or an insider of the Debtors.
- (iii) Neither Skadden nor any attorney at the Firm is or was, within two (2) years before the Petition Date, a director, officer, or employee of the Debtors.
- (iv) Neither Skadden nor any attorney at the Firm has an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors or for any other reason.

26. In view of the foregoing, the Debtors believe that Skadden: (i) is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and (ii) does not hold nor represent any interest that is adverse to the Debtors or their estates as required by section 327(a) and referenced by section 328(c) of the Bankruptcy Code.

27. As set forth in the Laukitis Declaration, Skadden in the past has represented, currently represents, and in the future likely will represent certain parties in interest or their affiliates in matters that are either unrelated to the Chapter 11 Cases, or otherwise not adverse to the Debtors or their estates.

28. Skadden has informed the Debtors that throughout the Chapter 11 Cases, Skadden will continue to conduct periodic conflicts analyses to determine whether it is performing or has performed services for any significant parties in interest in the Chapter 11 Cases and that Skadden will promptly a supplemental declaration to disclose any material developments

regarding the Debtors or any other pertinent relationships or connections that come to Skadden's attention.

**STATEMENT REGARDING U.S. TRUSTEE GUIDELINES**

29. Skadden shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Chapter 11 Cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Local Rules, and any other applicable procedures and orders of this Court. Skadden also intends to make a reasonable effort to comply with U.S. Trustee requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "U.S. Trustee Guidelines"), both in connection with this Application and the interim and final fee applications to be filed by Skadden in the Chapter 11 Cases.

30. The following information is provided by Skadden pursuant to paragraph D.1 of the U.S. Trustee Guidelines:

**Question:** Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

Answer: The sole variation from the Firm's standard Skadden Rates is a discount applied to M&A partner Richard Grossman's hourly rate, which remains frozen at the 2023 level of \$2,050 for the duration of the Restructuring Engagement Agreement.

**Question:** Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

Answer: No.

**Question:** If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your

billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

**Answer:** Skadden represented the client in the 12 months prepetition. During that representation, on January 1, 2024, Skadden raised its billing rates, as it does customarily from time to time. The material financial terms for the prepetition engagement remained the same, as the engagement was on an hourly basis.

**Question:** Has your client approved your prospective budget and staffing plan, and, if so, for what budget period?

**Answer:** The Debtors have developed a 13-week cash flow budget, which includes a line item for “Professional Fees,” including Skadden’s good-faith estimated fees. Recognizing that unforeseeable fees and expenses may arise in complex chapter 11 cases, Skadden and the Debtors may need to amend the Skadden budget as necessary to reflect changed circumstances or unanticipated developments. Skadden and the Debtors will continue to comply with the U.S. Trustee’s requests for information and additional disclosures and with any orders of this Court.

31. The Debtors request approval of the employment of Skadden effective as of the Petition Date. Such relief is warranted by the circumstances presented by the Chapter 11 Cases.

### **BASIS FOR RELIEF**

32. The Debtors seek retention of Skadden as their attorneys pursuant to section 327(a) of the Bankruptcy Code, which provides that a debtor, subject to Court approval:

[M]ay employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor]’s duties under this title.

11 U.S.C. § 327(a).

33. Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the

United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

34. The Debtors submit that for all the reasons stated above and in the Laukitis Declaration, the retention and employment of Skadden as counsel to the Debtors is warranted. Further, as stated in the Laukitis Declaration, Skadden is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors’ estates and has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the Laukitis Declaration.

**IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY**

35. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Application is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the 14-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

**NOTICE**

36. Notice of this Application will be given to: (i) the U.S. Trustee; (ii) the parties included on the Debtors’ consolidated list of their thirty (30) largest unsecured creditors; (iii) the Internal Revenue Service; (iv) the Securities and Exchange Commission; (v) the Office of the United States Attorney for the District of Delaware; (vi) counsel to the DIP ABL Agent and

Prepetition ABL Agent; (vii) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (viii) all parties entitled to notice pursuant to Local Rules 2002-1(b) and 9013-1(m). The Debtors submit that no other or further notice is required.

**NO PRIOR REQUEST**

37. No previous request for the relief sought therein has been made to this Court or any other court.

**CONCLUSION**

The Debtors respectfully request that this Court enter the Proposed Order, substantially in the form attached hereto, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: August 23, 2024  
Richmond, Virginia

LL Flooring Holdings, Inc.  
(on behalf of itself and the other Debtors)

By: /s/ Alice G. Givens  
Name: Alice G. Givens  
Title: Chief Legal, Ethics and Compliance Officer  
and Corporate Secretary

# **Exhibit 70**

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

ROBERT AHEARN and ALMAR SALES  
COMPANY, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

v.

CREDIT SUISSE FIRST BOSTON LLC,

Defendant.

No. 03-CV-10956 (JLT)

**FINAL JUDGMENT**

**WHEREAS**, the parties to the above-described action (the "Action") entered into a Settlement Agreement dated as of March 13, 2006 (the "Settlement"); and

**WHEREAS**, on March 14, 2006 the Court entered an Order of Preliminary Approval which, *inter alia*: (i) preliminarily approved the Settlement; (ii) confirmed the Action has been certified as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure; (iii) approved the forms of notice of the Settlement to the Class Members; (iv) directed that appropriate notice of the Settlement be given to the Class; and (v) set a hearing date for final approval of the Settlement; and

**WHEREAS**, notice of the Settlement was mailed to Class Members and the Summary Notice of the Settlement was published in the national edition of The Wall Street Journal, as attested to in the Affidavit of the Claims Administrator filed herein; and

**WHEREAS**, on June 7, 2006, a hearing was held on whether the Settlement was fair, reasonable, adequate, and in the best interests of the Class ("Settlement Hearing"); and



**WHEREAS**, based on the foregoing, having heard the statements of counsel for the parties and of such persons as chose to appear at the Settlement Hearing, having considered all of the pleadings and proceedings in the Action, and being otherwise fully advised,

**IT IS HEREBY ORDERED** that:

1. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including Class Members.

2. The form, content, and method of dissemination of the notice given to the Class, including both published notice and individual notice to all Class Members who could be identified through reasonable effort, was adequate and reasonable, and constituted the best notice practicable under the circumstances.

3. The notice, as given, complied with the requirements of 15 U.S.C. § 78u-4(a)(7) and of Rule 23 of the Federal Rules of Civil Procedure, satisfied the requirements of due process, and constituted due and sufficient notice of the matters set forth therein.

4. The Plan of Distribution described in the notice to Class Members is fair and reasonable and it is hereby approved.

5. The Representative Plaintiffs have fairly and adequately represented the interests of the Class Members in connection with the Settlement.

6. The Representative Plaintiffs and the Class Members, and all and each of them, are hereby bound by the terms of the Settlement set forth in the Settlement Agreement.

7. The provisions of the Settlement Agreement, including definitions of the terms used therein, are hereby incorporated by reference as though fully set forth herein.

8. All parties and counsel appearing herein have complied with their obligations under Rule 11(b) of the Federal Rules of Civil Procedure.

9. This action is certified as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, as previously determined by this Court in its Order dated August 17, 2005. The Class consists of all persons or entities who during the period from January 5, 2001 through April 5, 2001, inclusive ("Class Period"), purchased common stock of Winstar Communications, Inc. ("Winstar"), and were damaged thereby. Excluded from the Class are Credit Suisse First Boston, LLC ("CSFB" or "Defendant"); any parent, subsidiary, affiliate, officer or director of the Defendant; any former officer or director of Winstar; any entity in which any of the above has a controlling interest; and the legal representatives, heirs, successors, predecessors in interest, affiliates, or assigns of any of the above (the "Class").

10. There have been no requests for exclusion from the class.

11. The Settlement set forth in the Settlement Agreement is fair, reasonable, adequate, and in the best interests of the Class, and it shall be consummated in accordance with the terms and provisions of the Settlement Agreement.

12. Judgment shall be, and hereby is, entered dismissing the Action with prejudice and without taxation of costs in favor of or against any party except as provided in the Settlement Agreement.

13. The Representative Plaintiffs and all Class Members are hereby conclusively deemed to have released the Defendant, and its past and present parents, subsidiaries, and affiliated corporations and entities, the predecessors and successors in interest of any of them, and all of their respective past and present officers, directors, employees, agents

and assigns (the “Released Parties”), from any and all Settled Claims (the “Settled Claims”). As defined in the Settlement Agreement, “Settled Claims” means any and all claims, actions, causes of action, demands, suits, rights or liabilities, whether arising out of state or federal law, including Unknown Claims, of any Class Members, which exist or may exist against the Released Parties, by reason of any matter, event, cause or thing of any nature whatsoever arising out of, relating to, or in any way connected with: (a) the purchase, acquisition, sale, holding or disposition of any Winstar Securities during the Class Period; or (b) any of the facts, circumstances, transactions, events, occurrences, acts, omissions, or failures to act that have been alleged or could have been alleged by any Lead Plaintiff or other Class Member.

14. The Representative Plaintiffs and all Class Members are hereby barred and permanently enjoined from instituting, asserting or prosecuting, either directly, representatively, derivatively or in any other capacity, any and all Settled Claims which they or any of them had, have or may have against the Released Parties.

15. The Court appoints the law firms of Shapiro Haber & Urmy LLP and Berger & Montague as Class Counsel for purposes of administration of the Settlement.

16. The Plan of Distribution of the Settlement Fund as described in the notice to Class Members is hereby approved, subject to modification by further order of this Court. Any order or proceedings relating to the Plan of Distribution or amendments thereto shall not operate to terminate or cancel the Settlement Agreement or affect the finality of this Order approving the Settlement Agreement.

17. The Court hereby decrees that neither the Settlement Agreement nor this Final Judgment nor the fact of the Settlement is an admission or concession by the

Defendant of any liability or wrongdoing. This Final Judgment is not a finding of the validity or invalidity of any of the claims asserted or defenses raised in the Action. Neither the Settlement Agreement nor this Final Judgment nor the fact of Settlement nor the settlement proceedings nor the settlement negotiations nor any related documents shall be offered or received in evidence as an admission, concession, presumption or inference against the Defendant in any proceeding, other than such proceedings as may be necessary to consummate or enforce the Settlement Agreement.

18. The parties to the Settlement Agreement, their agents, employees, and attorneys, and the Claims Administrator and the Escrow Agent, shall not be liable for anything done or omitted in connection with these proceedings, the entry of this Final Judgment, or the administration of the payments to Authorized Claimants as provided in the Settlement Agreement and this Order, except for their own willful misconduct. No Class Member shall have any claim against Lead Plaintiff or Lead Counsel based on distributions made substantially in accordance with the Distribution Plan and orders of the Court. No Class Member shall have any further rights or recourse against the Defendant for any matter related to the Plan of Allocation, distributions thereunder, or the claims process generally.

19. Class Counsel are awarded attorneys' fees in the amount of \$ 2,640,000.00 and reimbursement of expenses, including experts' fees and expenses, in the amount of \$ 339,440, such amounts to be paid from out of the Settlement Fund. Representative Plaintiff Robert Ahearn is awarded the sum of \$ 25,000 and Representative Plaintiff Almar Sales Company is awarded the sum of \$ 10,000, as reasonable

costs and expenses directly relating to the representation of the Class as provided in 15 U.S.C. § 78u-4(a)(4), such amounts to be paid from out of the Settlement Fund.

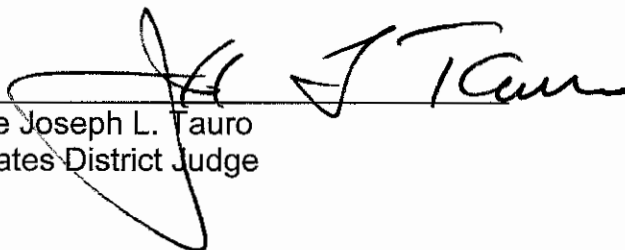
20. Such Fees and Expenses shall be payable from the Settlement Fund within seven (7) business days after entry of this Order (subject to the repayment provisions of the Settlement Agreement), notwithstanding the existence of any potential appeal or collateral attack on this Order.

21. The Court hereby retains and reserves jurisdiction over implementation of this Settlement and any distribution to Authorized Claimants under the terms and conditions of the Settlement Agreement and pursuant to further orders of this Court.

22. There being no just reason for delay, the Clerk of Court is hereby directed to enter final judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. The direction of the entry of final judgment pursuant to Rule 54(b) is appropriate and proper because this judgment fully and finally adjudicates the claims of the Plaintiffs and the Class against the Defendants in this Action, it allows consummation of the Settlement, and it will expedite the distribution of the Settlement proceeds to the Class Members.

Dated: June 7, 2006

Honorable Joseph L. Tauro  
United States District Judge

A handwritten signature in black ink, appearing to read "J. Tauro", is written over a horizontal line. The signature is stylized and cursive.

# **Exhibit 7P**

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ROME DIVISION**

PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM OF MISSISSIPPI, individually  
and on behalf of all others similarly  
situated,

Plaintiff,

v.

MOHAWK INDUSTRIES, INC. and  
JEFFREY S. LORBERBAUM,

Defendants.

Civ. A. No. 4:20-cv-00005-VMC

**ORDER AWARDING  
ATTORNEYS' FEES AND LITIGATION EXPENSES**

This matter came on for hearing on May 31, 2023 (the "Settlement Hearing") on Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses in the above-captioned class action (the "Action"). The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Class Members who or which could be identified with reasonable effort, and that a summary notice of the Settlement Hearing substantially in the form approved by the Court was published in the *Wall Street Journal* and was transmitted over the *PR Newswire* pursuant to the specifications of the Court; and the Court

having considered and determined the fairness and reasonableness of the attorneys' fees and Litigation Expenses requested;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated January 13, 2023 (the "Stipulation") and all capitalized terms not otherwise defined in this Order shall have the same meaning as they have in the Stipulation.

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Class Members.

3. Notice of Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion for an award of attorneys' fees and Litigation Expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended, and all other applicable laws and rules; constituted the best notice practicable under the circumstances; and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Plaintiff's Counsel are hereby awarded attorneys' fees in the amount of 25% of the Settlement Fund, net of total Court-awarded Litigation Expenses, which



sum the Court finds to be fair and reasonable. Plaintiff's Counsel are also hereby awarded \$691,551.66 in payment of Litigation Expenses to be paid from the Settlement Fund, which sum the Court finds to be fair and reasonable. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiff's Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

5. In making this award of attorneys' fees and payment of Litigation Expenses to be paid from the Settlement Fund, the Court has considered and found that:

(a) The Settlement has created a fund of \$60,000,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Plaintiff's Counsel;

(b) The fee sought has been reviewed and approved as reasonable by Lead Plaintiff, which is a sophisticated institutional investor that closely supervised, monitored, and actively participated in the prosecution and settlement of the Action;

(c) Over 221,000 copies of the Notice were mailed to potential Class Members and nominees stating that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund and for

payment of Litigation Expenses in an amount not to exceed \$1,000,000, and there were no objections to the requested attorneys' fees and expenses;

(d) Plaintiff's Counsel conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy;

(e) The Action raised a number of complex issues and involved substantial risks;

(f) If Lead Counsel had not achieved the Settlement there would remain a significant risk that Lead Plaintiff and the other Class Members may have recovered significantly less, or nothing at all, from Defendants;

(g) Plaintiff's Counsel devoted over 27,900 hours to the Action, with a lodestar value of approximately \$14,605,900, to achieve the Settlement;

(h) Plaintiff's Counsel at all times litigated this Action on a fully contingent basis to achieve the Settlement; and

(i) The amount of attorneys' fees awarded and expenses to be paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

6. The Court further finds that the above-stated award of Litigation Expenses (*supra* paragraph 4) to be paid from the Settlement Fund to Plaintiff's Counsel in payment of Litigation Expenses is fair and reasonable, and that the

Litigation Expenses are reasonable in amount, and were incurred for costs and expenses that were of a type customarily reimbursed in cases of this type.

7. Lead Plaintiff Public Employees' Retirement System of Mississippi is hereby awarded \$32,450.00 from the Settlement Fund as reimbursement for its reasonable costs and expenses directly related to its representation of the Class.

8. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

9. Exclusive jurisdiction is hereby retained over the Parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation and this Order.

10. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

11. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

So Ordered this 31st Day of May, 2023.



Victoria Marie Calvert  
United States District Judge

# **Exhibit 7Q**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
(Richmond Division)

In re JELD-WEN HOLDING, INC.	)	Civil Action No. 3:20-cv-00112-JAG
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
_____	)	

**ORDER AWARDING ATTORNEYS' FEES AND EXPENSES**

WHEREAS, this matter came on for hearing on November 22, 2021 (the "Settlement Hearing") on Class Counsel's motion for an award of attorneys' fees and payment of expenses. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all Class Members who could be identified with reasonable effort, and that a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* and transmitted over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement, dated as of June 4, 2021 (the "Stipulation"), and all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all Parties to the Action, including all Class Members.

3. Notice of Class Counsel's motion for an award of attorneys' fees and payment of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion for an award of attorneys' fees and payment of litigation expenses satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995; constituted the best notice practicable under the circumstances; and constituted due, adequate, and sufficient notice to all Persons entitled thereto.

4. There have been no objections to Class Counsel's request for attorneys' fees and litigation expenses.

5. Class Counsel is awarded attorneys' fees in the amount of \$10,000,000 (*i.e.*, 25% of the Settlement Amount), plus interest at the same rate earned by the Settlement Fund. Class Counsel is also awarded \$1,241,263.63 in litigation expenses, plus accrued interest. The Court finds these sums to be fair and reasonable.

6. Class Representative Public Employees' Retirement System of Mississippi is awarded \$23,350 from the Settlement Fund as reimbursement for its reasonable costs and expenses directly related to its representation of the Class, pursuant to the PSLRA.

7. Class Representative Wisconsin Laborers' Pension Fund is awarded \$5,190 from the Settlement Fund as reimbursement for its reasonable costs and expenses directly related to its representation of the Class, pursuant to the PSLRA.

8. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, pursuant to the terms and conditions of the Stipulation, the Court has considered and found that:

(a) The Settlement has created a fund of \$40,000,000 in cash pursuant to the terms of the Stipulation, and that numerous Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of counsel;

(b) The fee sought by Class Counsel has been reviewed and approved as reasonable by Class Representatives, sophisticated investors that oversaw the prosecution and resolution of the Action;

(c) 30,763 copies of the Notice were mailed to potential Class Members and nominees stating that Class Counsel would apply for attorneys' fees in an amount not to exceed 25% of the Settlement Fund and expenses in an amount not to exceed \$1,500,000, and there have been no objections;

(d) The Action raised a number of complex issues;

(e) Had Class Counsel not achieved the Settlement there would remain a significant risk that Class Representatives and the other members of the Class may have recovered less or nothing from Defendants;

(f) Class Counsel conducted the litigation and achieved the Settlement with skill, perseverance, and diligent advocacy;

(g) The amount of attorneys' fees awarded and litigation expenses to be paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases;

(h) Public policy favors the award of attorneys' fees and expenses in securities class action litigation; and

(i) Plaintiffs' Counsel expended more than 18,000 hours, with a lodestar value of \$10,672,222.25, to achieve the Settlement.

9. Any appeal or any challenge affecting this Court's approval of any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

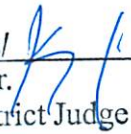
10. Exclusive jurisdiction is hereby retained over the Parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation and this Order.

11. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

12. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

IT IS SO ORDERED.

Dated: 22 November, 2021

  
\_\_\_\_\_  
John A. Gibney, Jr.  
United States District Judge

\_\_\_\_\_  
HONORABLE JOHN A. GIBNEY, JR.  
UNITED STATES DISTRICT JUDGE